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Daily Report

Latin America

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Daily Report
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FBIS-LAT-96-037 *23 February 1996*

CONTENTS

INTER-AMERICAN AFFAIRS

Inter-American Affairs: Guarantors on Peru-Ecuador Talks *[Madrid EFE]* 1

CARIBBEAN

Cuba

Cuba: Government Not To Tolerate Sovereignty Interference *[Havana Radio]* 2
Cuba: Foreign Ministry Official Rejects U.S. 'Violation' *[PRENSA LATINA]* 2
Cuba: Havana Criticizes U.S.-Backed Cuban Council *[Havana Radio]* 2
Cuba: Cuban Council Termed 'Ghost Organization' *[Havana Radio]* 3
Cuba: Government Arrests 20 Opposition Members *[Madrid EFE]* 3
Cuba: Internal Opposition Groups' Activities Viewed *[PRENSA LATINA]* 4
Cuba: Commentary Views U.S. Strategy Toward Cuba *[Havana Radio]* 5
Cuba: Visiting Panamanian Official on Helms-Burton Bill *[Havana TV]* 5
Cuba: Norway Earmarks $1.6 Million for Cuban Cooperation *[PRENSA LATINA]* 6
Cuba: Program Forecasts Changes in Russia, East Europe *[Havana Radio]* 6
Cuba: Aviation Infrastructure Improvements Discussed *[Havana TV]* 7
Cuba: Police Captain Remarks on Car Theft, Recruitment *[Havana Radio]* 7
Cuba: Politburo Members' Activities Through 22 Feb *[Havana TV, etc.]* 8

Haiti

Haiti: PM Designee Smarth To Submit Personal Records *[Port-au-Prince Radio]* 8

MEXICO

Mexico: Official Says U.S. Certification Not Helpful *[Mexico City Radio]* 9
Mexico: Official Says U.S. Certification 'Illegitmate' *[NOTIMEX]* 9
Mexico: Official To Meet U.S. Immigration Authorities *[NOTIMEX]* 9
Mexico: U.S.-Mexico Pact on Goods for Cuba Reported *[LA JORNADA 15 Feb]* 10
Mexico: Brazilian President Signs Trade Accord, Departs *[Mexico City TV]* 10
Mexico: Agreement With Brazil To Work Strategic Alliance *[LA JORNADA 20 Feb]* 11
Mexico: Brazilian President Addresses Congress *[EL FINANCIERO 21 Feb]* 12
Mexico: 80 Percent of Banks' Assets Said Solvent *[EL FINANCIERO 15 Feb]* 13
Mexico: Manufacturing Group Urges Stronger Government *[EL FINANCIERO 20 Feb]* 14
Mexico: Unemployment Increases to 6.4 Percent in Jan *[EL FINANCIERO 20 Feb]* 14

Mexico: Article Views Petrochemical Privatization *[EL FINANCIERO 19 Feb]* 15

CENTRAL AMERICA

Costa Rica

Costa Rica: President To Meet With Christopher 26 Feb *[ACAN]* 17

El Salvador

El Salvador: Christopher To Meet Central American Heads *[EL DIARIO DE HOY 22 Feb]* ... 17

Honduras

Honduras: Reina To Attend Regional Presidents Meeting *[NOTIMEX]* 18

Nicaragua

Nicaragua: Army Dismisses Fear of Elected Candidate *[EL NUEVO DIARIO 19 Feb]* 18

Panama

Panama: Canal Authority To Be Independent From Government *[EL PANAMA AMERICA 21 Feb]* 20
Panama: Reports on Laila's Extradition to the U.S. Denied *[EL SIGLO 21 Feb]* 20

SOUTH AMERICA

Argentina

Argentina: State Reform Act Enacted Amid Opposition *[TELAM]* 21
Argentina: Menem on French Investments, Visit to France *[TELAM]* 21
Argentina: Menem Accuses Quebracho Group of Inciting Riot *[TELAM]* 22
Argentina: Daily Urges Steps To Stem Growing Public Debt *[CLARIN 21 Feb]* 22
Argentina: Police Action Against Students 'Repressive' *[CLARIN 21 Feb]* 23
Argentina: Brazilian Daily Interviews Defense Minister *[O GLOBO 18 Feb]* 23

Bolivia

Bolivia: President on Attempt To Yield Territory to Chile *[Madrid EFE]* 25
Bolivia: Brazil's Foreign Minister Arrives on 3-Day Visit *[Madrid EFE]* 25

Brazil

Brazil: Sarney Criticizes Cardoso's Remarks on Congress *[AGENCIA ESTADO]* 25
Brazil: Cardoso To Mediate Mexican Plan for Mercosur *[FOLHA DE SAO PAULO 21 Feb]* . 26
Brazil: Foreign Minister on Mexican Trade Proposal *[Rio de Janeiro TV]* 26
Brazil: Mexican Daily Interviews Cardoso on Economy *[AGENCIA ESTADO]* 27
Brazil: Congressmen View Cardoso Statements in Mexico *[AGENCIA ESTADO]* 28
Brazil: PRC Plans To Plant Grains in Brazilian Bush Land *[GAZETA MERCANTIL]* 29
Brazil: Congress Votes on Budget With Deficit *[O ESTADO DE SAO PAULO 14 Feb]* 29
Brazil: Breakdown of Government Jobs Per Party Viewed *[O GLOBO 18 Feb]* 30
Brazil: Government To Lower Interest Rates *[GAZETA MERCANTIL 12 Feb]* 30
Brazil: Revenue Office Probes Senator's Enterprises *[VEJA 14 Feb]* 31
Brazil: Aeronautics Ministry Work on Sivam Said Delayed *[O GLOBO 16 Feb]* 32
Brazil: Embratel Planning To Launch Fourth Satellite *[GAZETA MERCANTIL 16 Feb]* 33
Brazil: Satellite Blast Not To Affect DTH TV System *[AGENCIA ESTADO]* 33

Brazil: INPE Expects Government Help To Keep Scientists *[AGENCIA ESTADO]* 33

Chile

Chile: Youths Back UN Report on Police Repression *[LA TERCERA DE LA HORA 22 Feb]* . 34
Chile: Allamand Proposes Center-Right Electoral Alliance *[EL MERCURIO 15 Feb]* 34
Chile: Economy Minister Evaluates Prices, Inflation *[EL MERCURIO 17 Feb]* 35
Chile: New Foreign Ministry Appointments Disclosed *[EL MERCURIO 21 Feb]* 35
Chile: Defense Chief of Staff on Continental Peace *[EL MERCURIO 15 Feb]* 36
Chile: Government Proposes Shortening Presidential Term *[EL MERCURIO 16 Feb]* 37
Chile: UDI, UCCP Reject RN's Electoral Alliance Proposal *[EL MERCURIO 16 Feb]* 37
Chile: PDC Urges Opposition Party To Honor Accord *[EL MERCURIO 21 Feb]* 38
Chile: Brunner Denies Government Seeks To Modify System *[EL MERCURIO 20 Feb]* 39
Chile: Brunner Discusses Communications Policy *[EL MERCURIO 18 Jan]* 39
Chile: Rightist Parties Urge Withdrawal of Reform Bill *[EL MERCURIO 22 Feb]* 41

Colombia

Colombia: President Views Proposal To Hold Elections *[Santa Fe de Bogota TV]* 41
Colombia: Samper's Lawyer Says Prosecutor Interfering *[Santa Fe de Bogota TV]* 42
Colombia: Foreign Minister Denies Samper Asylum Request *[NOTIMEX]* 42
Colombia: Unions Demand Samper's Temporary Resignation *[Santa Fe de Bogota TV]* 43
Colombia: Liberal Directorate Head on Samper Charges *[Santa Fe de Bogota Radio]* 43
Colombia: People 'Prepared For' Charges Against Samper *[Santa Fe de Bogota Radio]* 45
Colombia: Minister, Senators Comment on Term Proposal *[Santa Fe de Bogota TV]* 45
Colombia: Prosecutor on Certification, Death Penalty *[Santa Fe de Bogota Radio]* 45
Colombia: Medellin Mayor Supports Proposal on UN Troops *[Santa Fe de Bogota Radio]* 48
Colombia: UN Position on Colombia's Drug Fight Viewed *[EL ESPECTADOR 20 Feb]* 48
Colombia: Police Purge Produces 507 Removals in 50 Days *[EL TIEMPO 21 Feb]* 49
Colombia: Police Dismantle Coast Cartel Network *[Santa Fe de Bogota TV]* 49
Colombia: Article on Cuts in Military, 'Final Point Law' *[EL TIEMPO 17 Feb]* 49
Colombia: Office Issues Warrant for Guainia Governor *[Santa Fe de Bogota Radio]* 50
Colombia: Judge Reduces Sentence for Cartel Front Man *[Santa Fe de Bogota TV]* 50
Colombia: Samper Invites Paramilitaries To Reconsider *[Santa Fe de Bogota TV]* 51

Ecuador

Ecuador: 'Strict Security' Measures for Peruvian Minister *[Quito Radio]* 51
Ecuador: Tudela Reasserts Opposition to Nonagression Pact *[Quito Radio]* 52
Ecuador: Foreign Minister Meets Peruvian Counterpart *[Quito Radio]* 52
Ecuador: Armed Forces Meetings in Quito, Lima Previewed *[Quito Radio]* 53
Ecuador: Chamber of Deputies Candidate Escapes Attack *[Madrid EFE]* 54
Ecuador: Army Chief on Peace Process Efforts *[Quito Radio]* 54
Ecuador: Peasants Said Linked to Colombian Guerrillas *[Madrid EFE]* 54
Ecuador: Correction — Leoro on Tudela Remark *[Madrid EFE]* 54

Paraguay

Paraguay: Argana Criticizes Court Decision *[Asuncion TV]* 55
Paraguay: Argana Charges 'Collapse' of Democracy *[Asuncion TV]* 55
Paraguay: Party Predicts Violence If Elections Suspended *[ULTIMA HORA 22 Feb]* 56
Paraguay: ANR Elections Suspended Due to 'Irregularities' *[Asuncion Radio]* 57
Paraguay: Hizballah Preacher Not Considered 'Terrorist' *[ABC COLOR 11 Feb]* 57
Paraguay: Foreign Minister on Mercosur Trade Balance *[ULTIMA HORA 30 Jan]* 58

Paraguay: Sapena Brugada Elected Supreme Court President *[ULTIMA HORA 2 Feb]* 58

Uruguay

Peru: Poll Shows Drop in Fujimori's Popularity *[Madrid EFE]* 58

Uruguay

Uruguay: President Promises Social Action in 1996 *[EL OBSERVADOR 10 Feb]* 59
Uruguay: President Blames Communiques on Army Lodge *[BUSQUEDA 1-7 Feb]* 59
Uruguay: New Army Commander Comments on Responsibilities *[EL PAIS 24 Jan]* 60

Inter-American Affairs: Guarantors on Peru-Ecuador Talks

PY2202151096 Madrid EFE in Spanish 0113 GMT 22 Feb 96

[FBIS Translated Text] Buenos Aires, 21 Feb (EFE) — The foreign ministers of the countries that are guarantors of the Rio de Janeiro Protocol today expressed their satisfaction at "the major strides made" by Peru and Ecuador to achieve peace after having been involved in an armed confrontation over border problems in 1995.

The Argentine Foreign Ministry released a declaration signed by the guarantor countries — Argentina, Brazil, Chile, and the United States — in Buenos Aires today underscoring that "now that a year has elapsed since the signing of the Itamaraty [Brazilian Foreign Ministry headquarters] Peace Declaration (...) the option of settling the controversy through peaceful means has prevailed."

The Rio de Janeiro Protocol was signed in the 1940's to guarantee peace between both Andean nations, which maintain a long-standing border dispute.

The declaration points out that thanks to the signing of the Itamaraty Peace Declaration and to the Military Observers Mission (MOMEP) — which is operating in the border region between Peru and Ecuador — "a cease-fire was ordered in the area under conflict, thus preventing further loss of life. Both military forces were subsequently separated."

The declaration further states that "a new and decisive stage in the peace process, which poses its own challenges, is now unfolding."

The guarantor countries voiced the need to adopt "measures to foster mutual trust, as the key element for creating a climate of dialogue and harmony."

The declaration notes that in this context, several meetings were held between Peruvian Foreign Minister Francisco Tudela and his Ecuadoran counterpart Galo Leoro.

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Cuba

Cuba: Government Not To Tolerate Sovereignty Interference

PA2302021796 Havana Radio Havana Cuba in Spanish 0000 GMT 23 Feb 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Cuba today warned it will never tolerate public meetings held by counterrevolutionary organizations that are promoted and financed by the United States, in reference to the decision by the island's authorities to ban an alleged meeting of various small groups that make up the so-called Cuban Council.

Foreign Ministry spokesperson Marianela Ferriol told the national and international media that any attempt to interfere in the country's sovereignty will never be tolerated. In this regard, she said the Cuban Government is certain Washington is promoting and financing the activities of these opposition groups.

Cuba: Foreign Ministry Official Rejects U.S. 'Violation'

PA2202202896 Havana PRENSA LATINA in Spanish 1752 GMT 22 Feb 96

[FBIS Translated Text] Havana, 22 Feb (PL) — Cuba said today it will never permit an interventionist attempt, or the violation of its sovereignty, by the United States.

Cuban Foreign Ministry Spokesperson Marianela Ferriol said in a news conference that Washington has planned, financed, and organized attempts to internally organize people who oppose the political process currently in effect on the island.

The United States has used against Cuba the experience acquired in the sponsoring of subversion in numerous countries, but that will never be allowed in our nation, she added.

In reply to a question, Ferriol said that the Cuban Government knows about the U.S. operation to finance those illegal activities, and she denied that any foreign embassy has sought to talk with Foreign Ministry officials regarding the alleged arrest of people involved in these actions.

Later on in her meeting with local and foreign media, the spokesperson emphasized that U.S. businessmen's and politicians' visits to Cuba have increased because they are interested in personally learning about the Cuban reality.

She announced that a delegation from the Foreign Relations and Public Health Ministries will visit Haiti at the end of the month to reach a definite agreement on how the country's authorities regard the request for Cuba's cooperation within a framework of medical aid, which includes sending doctors to that state.

Ferriol also reported that Vice Foreign Minister Isabel Allende will begin a visit to Romania, the Czech Republic, Slovenia, and Poland on 29 February, upon invitation from the respective governments to exchange views on the current ties with each of those nations.

Cuba: Havana Criticizes U.S.-Backed Cuban Council

PA2202184696 Havana Radio Havana Cuba in Spanish 0000 GMT 22 Feb 96

[Commentary by Juan Jacomino: "A Cuban Issue"; from the "Evening Information Review" newscast]

[FBIS Translated Text] In Cuba, official, academician, and intellectual circles have described the initiative called the Cuban Council as the most recent and desperate effort of those who for decades have tried to alter the course of political events in Cuba.

The Cuban Council is viewed by many as a plan designed in Washington and implemented in Florida to reconcile and unite under a single command the various positions and motivations of groups in Cuba.

The objective is not to produce unity among the groups. The United States knows very well that their interests, always of a personal nature, are irreconcilable. The objective is to create and project an image, only an image, of unity among groups at the service of the anti-Cuban plans of the United States, something economists would describe as pure marketing.

The Cuban Council is also an economic project. The burdened Cuban economy represents attractive income in dollars, in cash. The Council's immediate goal is to hold a meeting, allegedly at the national level, on 24 February. Politically speaking, this new initiative could be a manifestation of fear about the possibility of an end to the international isolation of Cuba, a game our adversary does not want to quit empty-handed.

In this match of more than three decades, the Cuban Council is something like a consolation prize. Sectors linked to Havana's foreign policy agree that this explains the big U.S. interest in promoting this new project through work, pressure, and maneuvers by U.S. Presidential Assistant Richard Nuccio, the State Department, and special services [servicios especiales].

Nuccio's unexpected trip to Europe and his meeting with Manuel Marin, an important European Union official in charge of Latin American affairs, just before

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Marin's visit to Havana as an envoy of the union, has not gone unnoticed.

Open opponents of the Cuban system, such as Eloy Gutierrez Menoyo, a Miami resident who heads a Cuban organization called Cuban Change, have cautioned about the inappropriateness of exerting presssure on Cuba through the European Union and other countries. Menoyo told an anti-Cuban radio station of the United States:

[Begin Menoyo recording] I think that presssuring Cuba through the European Union and through the United States to seek backing for the Council, is detrimental to the Council because it would be ignoring an issue that is essential for the Cuban people: Independence free of foreign meddling. [end recording]

The intense U.S. pressure to bolster the Cuban Council is being exerted internationally and inside the island. The internal pressure in Cuba explains how people such as Elizardo Sanchez and Gustavo Arcos Bergnes, whose personal interests are openly opposed, have been able to sit at the same table, at least for as long as it is necessary for this situation. The miracle of this reconciliation was produced by a visit by an official of the U.S. Interests Section in Havana to Arcos Bergnes at the end of December.

It is precisely this kind of U.S. manipulation what has led the Cuban authorities to refuse to comment on what they describe as a new imposition. Rafael Dausa, deputy director of the North America Office of the Cuban Foreign Ministry, refuses to discuss the issue.

[Begin Dausa recording] I prefer not to comment on this because it is not necessary.

[Unidentified reporter] Why is it not necessary?

[Dausa] Because I think it is a monster created, financed, and manipulated from the very beginning by anti-Cuban interests of U.S. sectors that do not represent anybody in Cuba and do not have the slightest social support. This is a ghost organization. It does not represent any kind of legitimate interest. [end recording]

Radio Marti, a radio station financed with U.S. federal funds, with 24-hour programming directed exclusively at Cuba and operating as part of the Voice of America transmissions, is going out of its way to promote the Cuban Council. It is in south Florida, where most of the Cuban-American community in the United States lives, where this organiztion generates the most anticipation.

This is how Milagros Martinez, director of the Political Alternatives Center of Havana University, an expert on matters related to the Cuban emigrants in the United States, sees it:

[Begin Martinez recording] The interpretation of this is important. I believe this makes clear the inability and frustration of the emigrants' most conservative sectors, who for more than 30 years have been unable to successfuly develop in Miami any alternative capable of reversing Cuba's domestic political order. The frustration is such that they are clinging to a new road. This would be the Cuban Council. Evidently they must be trying to create another structure.

We scan, as part of our daily work, the newspapers of south Florida and listen to radio stations in south Florida, and speak with people who come from Miami, and we ourselves go to Miami and speak with media people there. We noticed from the very beginning that the role and importance attributed to this organization is exaggerated. We have told our interlocutors of our surprise. [end recording]

Martinez said that in the Cuban-American community in Miami there are contradictions on whether or not to support the Cuban Council. She said that extreme right-wing organizations such as the Cuban-American National Foundation and Cuban Unity do not back the organization, while others, more reactionary and aggressive, such as Alpha 66, do. Within the Cuban Council, there are contradictions also, because of the ambition for power of its main figures.

Cuba: Cuban Council Termed 'Ghost Organization'

PA2202150196 Havana Radio Havana Cuba in Spanish 0000 GMT 22 Feb 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Political and intellectual sectors of Cuba have described the recent creation of the Cuban counterrevolutionary organization Cuban Council [Concilio Cubano] as a new attempt by the enemies of the revolution to alter political events in the island.

These sectors believe that the Cuban Council represents no one in the island and has no social support and therefore, they note, it is a ghost organization.

Cuba: Government Arrests 20 Opposition Members

PA2202151496 Madrid EFE in Spanish 2317 GMT 21 Feb 96

[FBIS Translated Text] Havana, 21 Nov [date as received] (EFE) — More than 20 members of the opposition to the Cuban regime remain under arrest today, after the government decided to ban the first public rally of the opposition organization Cuban Council, sources in the internal dissident group told EFE.

The arrests began last Thursday when most of the opposition groups began preparing this rally, which was

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scheduled for Saturday, 24 February, according to the sources.

Among those arrested are three of the five members of the Secretariat of the Cuban Council, responsible for convening and organizing the rally and members of the so-called Support Group, comprised of seven of the most well-known and prominent opposition members.

According to the same sources, Hector Palacios, also a member of the Secretariat, and Marta Beatriz Roque, of the Support Group, were released in the last few hours.

In all cases these have been "preventive" arrests, and they kept Palacios in a dungeon for four days and released him without any charge or without being questioned.

Gerardo Sanchez Santacruz, of the Cuban Human Rights and National Reconciliation Committee, told EFE that "it is very unlikely" the date of the 24th will be maintained because all these arrests have prevented the preparatory work and no conditions exist to hold this rally.

He recalled that, at any rate, the Support Group, of which his brother Elizardo, Gustavo Arcos, and Vladimiro Roca, among others, are members, announced from the beginning that it will observe the government decision, although other more radical groups called for a continuation of the plans to go ahead with the rally.

Today, the official daily GRANMA, which had not devoted one line to these events, included, nevertheless, statements by Parliament President Ricardo Alarcon, in which he affirmed that "our society is not comprised of mere spectators; we are the only democratic alternative."

In a ceremony held at the National Union of Cuban Writers and Artists, Alarcon remarked that "today's Cuba is the only possible alternative to the serious problems of today's world and, consequently, the target of the obsession of U.S. administrations to destroy the bad example it represents."

The United States is equally criticized by the news agency PRENSA LATINA (PL), which reflects the government's opinion, in which domestic opposition groups are presented as subordinated to U.S. interests and totally unknown to the Cuban population.

PL said that Washington has attempted to raise the European Union's (EU) and the very Catholic Church's interest in Cuban Council, although these opposition members, according to the commentator, "were not able to convince foreign delegations about the role assigned to them within society."

Cuba: Internal Opposition Groups' Activities Viewed

PA2202153996 Havana PRENSA LATINA in Spanish 1647 GMT 21 Feb 96

[By Javier Rodriguez]

[FBIS Translated Text] Havana, 21 Feb (PL) — Amid crowded carnival festivities, numerous visits by foreign delegations, and positive signs over the current sugarcane harvest, Cubans have learned a "powerful" internal opposition exists.

The news, which has even provoked some ironic smiles, refers to the publicity campaign carried out abroad, mainly with the United States' support, over the fact that people who oppose the island's government will eventually gather in some type of political council.

Although Washington's wishes to organize an alternative to the current socialist process in Cuba date back a long time and have never yielded results, local media and foreign observers agree that this much material resources and publicity have never been devoted to that type of goal.

In fact, the new effort — part of its foundation is the famous track two of the Torricelli Law, which strives to destroy the revolution "from inside" — began to take shape in October when U.S. President Willian Clinton announced sizable funds for the internal opposition in Cuba.

According to Cuban sources, the allocation was preceded by intensive U.S. contacts with other governments and international political organizations to support, in some way, a "peaceful transition" in the greater Antillean island.

The United States' main concern is a result of its actual isolation in the international sector concerning the Cuba case, the lack of support for the island's blockade, the increase in Havana's ties with countries from the European Union and other regions, and the start of Cuba's economic recovery.

The declaration about the United States' willingness to allocate much more money to the opposition's vicissitudes in the country was followed by a flurry of activities by the small groups involved in this activity. Their main problem is the impossibility of getting supporters, and this is admitted even by U.S. politicians and journalists.

The influence exerted by the call from the White House and what is identified here as pressure exerted by the U.S. Interests Office is such that sworn enemies like Elizardo Sanchez and Gustavo Arcos, former prisoners

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for crimes against state security, accepted provisionally sitting at the same table.

The final result was the attempt to create the so-called Cuban Council and the issuance of a document bearing the signatures of a group of people — all of them self-styled leaders of organizations previously unknown by the people.

Neither the conciliation effort nor the document settled the disputes between the most renowned members — some of whom abandoned the council a few days later. According to all the news, these differences were particularly emphasized by reports of an irregular distribution of funds received from the United States.

The efforts to hold a council were exerted while meetings were being held by the European Union (EU), which progressed toward the signing of a future agreement for ties with Cuba, as well as a tour of the old continent by Richard Nuccio, an official appointed by the White House to design its policy toward Cuba.

The evident desire to bring the EU into the plan also included efforts to involve the Catholic Church, even though its current relations with the Cuban state have been described as normal.

Another obstacle which precludes the plan's validity abroad is that many meetings between local supporters and foreign delegations in Cuba did not convince the latter regarding the role the former have assumed within society, as proven by the visitors' own statements.

Given the state of things, this week the "council participants" intend to carry out activities that Cuban authorities consider aimed at favoring the United States' plans.

Although there is not even a joint criterion among them regarding the celebration of this event, the purpose seems far removed from Cuba's reality, marked by determined economic and political progress despite the neighboring powerful nation's harassment.

Cuba: Commentary Views U.S. Strategy Toward Cuba

PA2302041596 Havana Radio Rebelde Network in Spanish 1800 GMT 17 Feb 96

[Commentary by Orlando Contreras; from the "National Radio News" newscast]

[FBIS Translated Excerpt] Currently, the official U.S. strategy toward Cuba is sustained basically on two well-known conceptions: Maintaining the blockade, even against international public opinion and the United States' main partners in the industrialized world, and a kind of soft-glove treatment, to which Richard Nuccio, the White House's Cuban affairs specialist, has adhered.

This policy obtained results with the collapse of the Soviet Union and the toppling of socialism in Central and Eastern Europe. It consists of a subtle penetration of society, especially, into certain sectors, eroding values and inducing — for their adoption — ideological and economical attitudes, as well as patterns of conduct in stride with the U.S. system.

The daydream of neo-liberal capitalism, together with considering socialized state ownership satanism, has been offered as an alternative between equality in well-being and hopeless poverty. According to Nuccio, this strategy reached its zenith with the disappearance of the Soviet Union and the collapse of socialism in Europe.

Let us see how the promised paradise will function. The French newspaper LE MONDE, who's editorial policy is anti-communist, depicts some of those new realities. I quote: Throughout the East new poor people have appeared. They are less conspicuous, but much more visible than the new rich. The situations are very contrasting and poverty adopts different faces in Hungary, Rumania, or Russia. However, there is a common denominator. They have all lived several years of a drastic economic purge and a fall in the standard of living, from one extreme to the other. [passage omitted]

Cuba: Visiting Panamanian Official on Helms-Burton Bill

PA2302033596 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 16 Feb 96

[FBIS Translated Text] Oyden Ortega, president of the foreign relations commission of Panama's legislative assembly, gave a lecture on constitutional and judicial aspects of the Torrijos-Carter Treaty to Havana University students. According to the accord signed in 1977, the canal would be returned to Panama and U.S. bases would be closed by the end of the century. With the fulfillment of the accord, Panama hopes to complete its independence. This was stressed by Ortega who is heading a delegation of Panamanian parliamentarians. During their stay, the Panamanian legislators visited sites of scientific, social, and economic interest and meet with Cuban Government officials.

Ortega signed with Jorge Lezcano, his counterpart on the National Assembly of the People's Government, an interparliamentary resolution aimed at strengthening the traditional link of friendship between both peoples. The legislator stressed aspects of the resolution:

[Begin Ortega recording] It also issues an alert, a call to embrace interparliamentary unity for the parliaments

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[Rodriguez] In various (?periods).

[Jimenez] In Cuba where no one has made revolution for us. Soviet tanks did not arrive here. Where, for the first time, has a communist movement forcefully come to life again? Well, in the country itself where the first socialist revolution took place in history.

[Rodriguez] Of course.

[Jimenez] It is logical for this to happen. Although I am not among those who proclaim a victory, I believe that a process has begun and that communists and the socialist revolutionary ideology have demonstrated their strength. They have demonstrated that they could again seize power in Eastern Europe. Nevertheless, a long way lies ahead. [passage omitted]

[Rodriguez] A few days ago, I saw a foreign television report in which a Russian bitterly complained that all of the world's crimes are present in Russia. I believe this is sad.

[Jimenez] It could extend to the entire Eastern Europe.

[Rodriguez] Of course. We have 30 seconds left. Therefore, would you please make a summary of your conclusions?

[Jimenez] It would be very difficult to make a summary, Osvaldo, because we have to take into consideration — as I have said earlier — that nothing has been written in Russia's case. Moreover, from a general and broad point of view, nothing will be like it was before in Eastern Europe, not even in the event that Socialist Parties — which are convinced of the Marxist-Leninist ideals — do win.

[Rodriguez] Let us hope your forecast comes true. Thanks a lot for your straight talk on this very interesting subject.

Cuba: Aviation Infrastructure Improvements Discussed

PA2202151596 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 18 Feb 96

[From the "NTV" newscast]

[FBIS Translated Text] Innovators at the Ignacio Agramonte International Airport in Camaguey have greatly contributed to the nation, as indicated by the fact that these workers have achieved the status of national vanguard for 11 years. During this time, they have contributed approximately $2 million to the Cuban economy by manufacturing, rebuilding, and renovating equipment of vital importance to navigation.

They worked on many projects, such as the (?ELS) precision landing system, which has now been operational for five years, thus saving the country over $600,000 — the equipment's market price.

[Begin first unidentified worker recording] The National Association of Innovators and Efficiency Experts [ANIR] have made great efforts, and the airport offers the opportunity to continue the work in air transportation and the airport itself. [end recording]

Also, there have been outstanding innovations in the telegraphic system [mesa telegrafica], monitors for landing equipment, transmitters to communicate with planes, and instruments to calibrate and repair equipment.

[Begin recording] [Second worker] The job has not been easy. However, we have always achieved the goals, and we are committed to meeting and exceeding the goal for 1996, and doing all the jobs that need to be done.

[Third worker] We plan to accomplish over 15 innovations this year, expand their use to the aviation system nationwide, and ratify our status as ANIR's national vanguard.

[Fourth worker] I have been chosen ANIR's national vanguard for five consecutive years. I have had a role in over 40 innovations, which are very significant to the aviation sector, because they improve the quality of the service to the people. [end recording]

These ANIR workers have just confirmed their status as national vanguard and Cuba's best. It is not by chance that they have received important awards in several science and technology meetings.

Cuba: Police Captain Remarks on Car Theft, Recruitment

PA2302033496 Havana Radio Rebelde Network in Spanish 1255 GMT 16 Feb 96

["Doing radio" program with guest Police Captain Angel Diaz and program host Felix Fernando Garrido]

[FBIS Translated Text] [Garrido] We welcome Captain Angel Diaz to our booth.

[Diaz] Good morning.

[Garrido] What is new today?

[Diaz] I bring you several issues. The first one is car theft. We have spoken on several occasion of the dismantling of several gangs specializing in car theft. Joint forces of the DPI [expansion unknown], provincial units, patrol, traffic, and other interior order forces have been working intensely against this crime.

[Garrido] There are still some that have not been caught.

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for crimes against state security, accepted provisionally sitting at the same table.

The final result was the attempt to create the so-called Cuban Council and the issuance of a document bearing the signatures of a group of people — all of them self-styled leaders of organizations previously unknown by the people.

Neither the conciliation effort nor the document settled the disputes between the most renowned members — some of whom abandoned the council a few days later. According to all the news, these differences were particularly emphasized by reports of an irregular distribution of funds received from the United States.

The efforts to hold a council were exerted while meetings were being held by the European Union (EU), which progressed toward the signing of a future agreement for ties with Cuba, as well as a tour of the old continent by Richard Nuccio, an official appointed by the White House to design its policy toward Cuba.

The evident desire to bring the EU into the plan also included efforts to involve the Catholic Church, even though its current relations with the Cuban state have been described as normal.

Another obstacle which precludes the plan's validity abroad is that many meetings between local supporters and foreign delegations in Cuba did not convince the latter regarding the role the former have assumed within society, as proven by the visitors' own statements.

Given the state of things, this week the "council participants" intend to carry out activities that Cuban authorities consider aimed at favoring the United States' plans.

Although there is not even a joint criterion among them regarding the celebration of this event, the purpose seems far removed from Cuba's reality, marked by determined economic and political progress despite the neighboring powerful nation's harassment.

Cuba: Commentary Views U.S. Strategy Toward Cuba

PA2302041596 Havana Radio Rebelde Network in Spanish 1800 GMT 17 Feb 96

[Commentary by Orlando Contreras; from the "National Radio News" newscast]

[FBIS Translated Excerpt] Currently, the official U.S. strategy toward Cuba is sustained basically on two well-known conceptions: Maintaining the blockade, even against international public opinion and the United States' main partners in the industrialized world, and a kind of soft-glove treatment, to which Richard Nuccio, the White House's Cuban affairs specialist, has adhered.

This policy obtained results with the collapse of the Soviet Union and the toppling of socialism in Central and Eastern Europe. It consists of a subtle penetration of society, especially, into certain sectors, eroding values and inducing — for their adoption — ideological and economical attitudes, as well as patterns of conduct in stride with the U.S. system.

The daydream of neo-liberal capitalism, together with considering socialized state ownership satanism, has been offered as an alternative between equality in well-being and hopeless poverty. According to Nuccio, this strategy reached its zenith with the disappearance of the Soviet Union and the collapse of socialism in Europe.

Let us see how the promised paradise will function. The French newspaper LE MONDE, who's editorial policy is anti-communist, depicts some of those new realities. I quote: Throughout the East new poor people have appeared. They are less conspicuous, but much more visible than the new rich. The situations are very contrasting and poverty adopts different faces in Hungary, Rumania, or Russia. However, there is a common denominator. They have all lived several years of a drastic economic purge and a fall in the standard of living, from one extreme to the other. [passage omitted]

Cuba: Visiting Panamanian Official on Helms-Burton Bill

PA2302033596 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 16 Feb 96

[FBIS Translated Text] Oyden Ortega, president of the foreign relations commission of Panama's legislative assembly, gave a lecture on constitutional and judicial aspects of the Torrijos-Carter Treaty to Havana University students. According to the accord signed in 1977, the canal would be returned to Panama and U.S. bases would be closed by the end of the century. With the fulfillment of the accord, Panama hopes to complete its independence. This was stressed by Ortega who is heading a delegation of Panamanian parliamentarians. During their stay, the Panamanian legislators visited sites of scientific, social, and economic interest and meet with Cuban Government officials.

Ortega signed with Jorge Lezcano, his counterpart on the National Assembly of the People's Government, an interparliamentary resolution aimed at strengthening the traditional link of friendship between both peoples. The legislator stressed aspects of the resolution:

[Begin Ortega recording] It also issues an alert, a call to embrace interparliamentary unity for the parliaments

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of Latin America and the U.S. Congress regarding the bill presented by Senators Helms and Burton which we believe that in addition to threatening freedom of commerce, also affects the finances of enterprises from many countries which are investing in Cuba, in addition to being a violation of international law. [end recording]

Cuba: Norway Earmarks $1.6 Million for Cuban Cooperation

PA2202225996 Havana PRENSA LATINA in Spanish 0137 GMT 21 Feb 96

[FBIS Translated Text] Oslo, 20 Feb (PL) — The Norwegian Government today announced it has earmarked $1.6 million for agricultural and community development plans in Cuba, on the occasion of the current official visit by Cuban Foreign Minister Roberto Robaina.

Robaina met this Tuesday, second day of his stay here, with Prime Minister Gro Harlem Brundtland, to whom he delivered a greetings message from Cuban President Fidel Castro.

After reciprocating the greetings, Harlem Brundtland stated that in spite of the fact she attended several international events also attended by the Cuban head of state, she has been unable to talk with him and hopes to be able to do so at some point.

Later, Harlem Brundtland expressed her interest over the situation in that island and the ongoing reforms there, while the visiting minister explained his government's economic strategy, the orientation of changes, and other political and institutional issues.

The Cuban foreign minister today discussed these issues also with his counterpart Bjoern Tore Godal and Secretary of State Jan Egeland, who informed Robaina of Norway's decision to resume cooperation with the island, which stopped since 1980.

The funds will be channeled through nongovernmental organization Norway Popular Aid Fund, promoter for years of cooperation projects with Cuba and Latin America.

For Cuban diplomacy, Robaina noted during the conversations, it is of great importance to have stated before his Norwegian colleagues Cuba's absolute respect for issues such as human rights, in which both countries share totally different political positions and realities.

Much more important was the fact Cuba found understanding in the face of the harassment and blockade to which it is subjected, he added.

Both parties reportedly agreed to condemn the policy of blockade the United States is imposing on Cuba, considering it irrational, anachronistic, and inhumane.

Robaina reiterated Cuba's position to discuss issues pertaining to human rights without bias, without meddling or discriminatory mechanisms, without selective or manipulative policies.

The Cuban foreign relations minister also held a news conference. It was learned he will have an intense working agenda tomorrow, which contemplates meetings with several cabinet members, the Commerce Council, the Labor Union Confederation, Latin American ambassadors, and nongovernmental organizations.

Cuba: Program Forecasts Changes in Russia, East Europe

PA2302023396 Havana Radio Rebelde Network in Spanish 1700 GMT 20 Feb 96

["Straight Talk" program with journalist Eddie Jimenez and program host Osvaldo Rodriguez]

[FBIS Translated Excerpt] [Rodriguez] Good afternoon, my friends. This is "Straight Talk" here in Radio Rebelde. Eastern Europe's nostalgia for earlier times is the topic that journalist Eddie Jimenez brings to our attention today. Eddie, I believe, of course, that when you refer to Eastern Europe, you will begin with Russia, which is a limelight in today's news. [passage omitted]

[Jimenez] I agree with you. They do not want to go back to exactly what they had because serious mistakes were made. In fact, these were serious and huge mistakes.

[Rodriguez] Society had gotten sick.

[Jimenez] Unquestionably. You cannot make socialism without the people because people must participate in this process. Socialism was being made there without taking people into consideration. It is a very serious and unforgivable mistake to withdraw from the masses. Obviously, people do not wish that. I have said here earlier that anywhere in the world or in any revolutionary process, nothing will be the same again because patterns have been broken, Osvaldo. Now this is very important, Osvaldo, in view of what you have said. Look, if you examine where socialism is maintained nowadays, you will see that socialism is maintained in the PRC. A socialist revolution was not made for that country, but rather the PRC made its own revolution.

[Rodriguez] Of course.

[Jimenez] Where is socialism maintained? It is maintained in the SRV. This is a clear-cut example of recent days of how a country has made socialism upon the basis of 3 million people killed during a long war against the enemy who occupied its territory. Where is socialism maintained?

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[Rodriguez] In various (?periods).

[Jimenez] In Cuba where no one has made revolution for us. Soviet tanks did not arrive here. Where, for the first time, has a communist movement forcefully come to life again? Well, in the country itself where the first socialist revolution took place in history.

[Rodriguez] Of course.

[Jimenez] It is logical for this to happen. Although I am not among those who proclaim a victory, I believe that a process has begun and that communists and the socialist revolutionary ideology have demonstrated their strength. They have demonstrated that they could again seize power in Eastern Europe. Nevertheless, a long way lies ahead. [passage omitted]

[Rodriguez] A few days ago, I saw a foreign television report in which a Russian bitterly complained that all of the world's crimes are present in Russia. I believe this is sad.

[Jimenez] It could extend to the entire Eastern Europe.

[Rodriguez] Of course. We have 30 seconds left. Therefore, would you please make a summary of your conclusions?

[Jimenez] It would be very difficult to make a summary, Osvaldo, because we have to take into consideration — as I have said earlier — that nothing has been written in Russia's case. Moreover, from a general and broad point of view, nothing will be like it was before in Eastern Europe, not even in the event that Socialist Parties — which are convinced of the Marxist-Leninist ideals — do win.

[Rodriguez] Let us hope your forecast comes true. Thanks a lot for your straight talk on this very interesting subject.

Cuba: Aviation Infrastructure Improvements Discussed

PA2202151596 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 18 Feb 96

[From the "NTV" newscast]

[FBIS Translated Text] Innovators at the Ignacio Agramonte International Airport in Camaguey have greatly contributed to the nation, as indicated by the fact that these workers have achieved the status of national vanguard for 11 years. During this time, they have contributed approximately $2 million to the Cuban economy by manufacturing, rebuilding, and renovating equipment of vital importance to navigation.

They worked on many projects, such as the (?ELS) precision landing system, which has now been operational for five years, thus saving the country over $600,000 — the equipment's market price.

[Begin first unidentified worker recording] The National Association of Innovators and Efficiency Experts [ANIR] have made great efforts, and the airport offers the opportunity to continue the work in air transportation and the airport itself. [end recording]

Also, there have been outstanding innovations in the telegraphic system [mesa telegrafica], monitors for landing equipment, transmitters to communicate with planes, and instruments to calibrate and repair equipment.

[Begin recording] [Second worker] The job has not been easy. However, we have always achieved the goals, and we are committed to meeting and exceeding the goal for 1996, and doing all the jobs that need to be done.

[Third worker] We plan to accomplish over 15 innovations this year, expand their use to the aviation system nationwide, and ratify our status as ANIR's national vanguard.

[Fourth worker] I have been chosen ANIR's national vanguard for five consecutive years. I have had a role in over 40 innovations, which are very significant to the aviation sector, because they improve the quality of the service to the people. [end recording]

These ANIR workers have just confirmed their status as national vanguard and Cuba's best. It is not by chance that they have received important awards in several science and technology meetings.

Cuba: Police Captain Remarks on Car Theft, Recruitment

PA2302033496 Havana Radio Rebelde Network in Spanish 1255 GMT 16 Feb 96

["Doing radio" program with guest Police Captain Angel Diaz and program host Felix Fernando Garrido]

[FBIS Translated Text] [Garrido] We welcome Captain Angel Diaz to our booth.

[Diaz] Good morning.

[Garrido] What is new today?

[Diaz] I bring you several issues. The first one is car theft. We have spoken on several occasion of the dismantling of several gangs specializing in car theft. Joint forces of the DPI [expansion unknown], provincial units, patrol, traffic, and other interior order forces have been working intensely against this crime.

[Garrido] There are still some that have not been caught.

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[Diaz] Yes. Recently, three citizens were arrested for car theft, particularly in the 10 de Octubre and Plaza Municipalities. Thanks to the criminology investigation it was found that these citizens had conducted at least seven car thefts, and the joint efforts of the police forces ended up dismantling that gang, and several citizens were arrested. Approximately 20 vehicles have been recovered.

[Garrido] Does the sale of a vehicle or its part to another person, mean that that person is an accessory to the crime?

[Diaz] Of course. The police is fighting these people, because it is a crime. At times what they do is steal a car, turn it into another, or sale and resale the parts. And of course, the citizens involved in the purchase of these part are also guilty.

[Garrido] We are running out of time. Could you tell us about the recruitment of youths into the Interior Ministry [Minint] institute.

[Diaz] This is open to youths up to 22 years old. Write this down: You can show up at Loma 726 street, corner of Tulipan street, and do the paperwork and interviews to enter the Minint's Capitan San Luis Higher Institute located in La Lisa in front of the Ciboneyes restaurant. Positions are open for Havana youths seeking to become Minint officers upon graduation. The positions are open for youths younger than 22, with high school diploma, single and without dependents, and having the appropriate mental and physical conditioning.

[Garrido] Quickly, how is it going with the carnivals?

[Diaz] Very well, the only thing we want to stress is this: Remember to carry your identification and that carrying any type of weapons is prohibited.

[Garrido] Great. Thank you.

Cuba: Politburo Members' Activities Through 22 Feb

PA2302012596

[FBIS Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 22 February.

Jose Ramon Machado Ventura and Candido Palmero Hernandez toured sugarcane agro-industrial complexes in Havana Province, where productive forces demonstrated willingness to comply with sugar and food commitments. The 16 complexes are working steadily and processing sessions are stable. (Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 17 Feb 96)

Jose Ramon Balaguer Cabrera attended the ceremony in commemoration of GRANMA'S 30th anniversary. He praised reporters for their professionalism. (Havana Radio Rebelde Network in Spanish 1255 GMT 17 Feb 96)

Alfredo Jordan Morales announced the beginning of the potato harvest in Matanzas, adding that the country has invested over 28 million pesos in the sector and planted approximately 1,135 caballerias. (Havana Radio Rebelde Network in Spanish 1800 GMT 19 Feb 96)

Haiti

Haiti: PM Designee Smarth To Submit Personal Records

PA2302041296 Port-au-Prince Signal FM Radio in French 1230 GMT 22 Feb 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] Rosny Smarth, President Rene Preval's prime minister designee, is due to submit his personal records today or tomorrow to the Haitian Parliament so the parliamentarians can approve the president's choice of him. If all papers are complete, this step [words indistinct] should not represent.... [pauses] will be a simple formality, according to a deputy of the Lavalas coalition, which holds the majority in the two chambers and from which the prime minister comes. According to this parliamentarian, arrangements are also being made so those senators and deputies who were absent, were not in the capital during carnival can be present to cast their vote at the beginning of next week on the general policy statement of the new Haitian head of government.

Several working sessions have already begun between President Rene Preval, the prime minister designee, and the associates of the Lavalas political bloc on the composition of the ministerial cabinet, which must be completed during the presentation of the prime minister's general policy statement.

The president on 20 February returned from a four-day tour of the Artibonite Valley, where he gave new inspiration, a new boost to rice production in the Artibonite area. The president should meet with Smarth on Wednesday to continue with the discussions for the formation of the cabinet.

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Mexico: Official Says U.S. Certification Not Helpful

PA2302021896 Mexico City Radio Red Network in Spanish 0000 GMT 23 Feb 96

[From the "Night Monitor" newscast]

[FBIS Translated Text] Deputy Foreign Secretary Juan Rebolledo has said in Washington that the U.S. certification of Mexico could adversely affect binational cooperation against drug trafficking. The diplomat has said the certification does not help the fight against drug trafficking at all.

Mexico: Official Says U.S. Certification 'Illegitmate'

PA2302043496 Mexico City NOTIMEX in Spanish 0219 GMT 23 Feb 96

[FBIS Translated Text] Mexico City, 22 Feb (NOTIMEX) — Javier Trevino Cantu, deputy secretary of International Cooperation of the Foreign Relations Secretariat, today said the U.S. certification of Mexico's fight against drug trafficking is illegitimate and unfortunate.

Following his participation in the 52d Annual Seminar of the National Association of Mexican Importers and Exporters (Anierm), the official said both countries will review their bilateral relations in the next few months.

He said they will review the areas in which there is cooperation and bilateral relations such as the environment, education, trade, and the fight against drugs, as well as the topic of border affairs and culture.

The deputy secretary said the magnitude of the relations between Mexico and the United States is extensive and complex; therefore, they will attempt to prevent the accusations and problems that may emerge in one area from obstructing overall understanding.

"There is a permanent, high-level dialogue in which we continue to adopt the policy of resolving any problem that may emerge in the bilateral relation to prevent the relation itself from being contaminated," he said.

As for U.S. attempts to obstruct the access of the Mexican transportation sector to that country and to impose additional taxes on tomatoes, Trevino Cantu said the appropriate organizations of both governments are already working on this matter.

He also talked about the accusations made by a group of Americans yesterday, 21 February, in the sense that Mexico is the country that violates intellectual property laws the most, and he said the Mexican Government has already adopted the necessary measures to fight this situation.

In this regard, the Anierm president, Luis Rebollar Corona, said that as for the violation of intellectual property, "we have that house in order," because strict measures were adopted to fight it even before the signing of the free trade agreement.

He said Mexicans "will have to get used to groundless accusations that may emerge from the U.S. political campaigns."

The leader said any serious revision of the intellectual property issue would reduce the commission of this crime.

Mexico: Official To Meet U.S. Immigration Authorities

PA2302001396 Mexico City NOTIMEX in Spanish 0102 GMT 21 Feb 96

[FBIS Translated Text] Mexico City, 20 Feb (NOTIMEX) — The Mexican Foreign Relations Secretariat today said that the regional meeting of consultation on the duties of the U.S. Immigration and Naturalization Service (INS) will represent an important opportunity for Mexico.

Juan Rebolledo, under secretary of foreign relations, stated that the meeting, which will begin tomorrow, Wednesday, will force INS authorities to inform the Mexican Consulates so they can carry out their duty of protecting Mexicans.

Rebolledo will preside over the first three regional meetings of the "consultation mechanism on the INS duties and consular protection," which will take place on 21 and 22 February in Miami, Florida.

He explained that the objective of that meeting, negotiated between the two countries to discuss immigration matters, is to create new mechanisms in all Mexican Consulates.

Upon concluding the third meeting of the Mexico-India Binational Commission, Rebolledo remarked that his country will not present a concrete proposal at the meeting because it seeks to expedite the procedures for obtaining information on the human rights violations of migrants.

When questioned on recent statements by U.S. politicians, the foreign relations under secretary commented that the United States is experiencing an internal electoral process which has repercussions in Mexico.

Rebolledo reiterated that the Mexican Government is respectful of the sovereignty of its neighbor, adding that at the time it is affected by any type of situation, it will seek dialogue.

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He announced that in the near future meetings will be held in Washington with U.S. Government officials to discuss different issues and continue to maintain the good relations both countries have always maintained.

[Mexico City LA JORNADA in Spanish on 20 February on page 8 carries a similar report which adds: "The Mexican Government will express to the U.S. Government its concern over the state of 'tension' and the 'uneasy' atmosphere around the immigration issue in the United States; in addition, it will propose U.S. immigration authorities to "do away with prejudice, cliches, and myths," so as to view the immigration problem from a 'fair perspective.'"]

Mexico: U.S.-Mexico Pact on Goods for Cuba Reported

PA2302001596 Mexico City LA JORNADA in Spanish 15 Feb 96 p 63

[By correspondents Jim Cason and David Brooks]

[FBIS Translated Excerpt] New York City, 14 Feb — According to an official Customs Service internal document secured by LA JORNADA, the administration of President Bill Clinton has been trying to persuade Mexico to participate in the blockade against Cuba.

Customs officials on the Mexican side of the border have denied they are helping the blockade but according to a 45-page-long U.S. Customs document, Washington "arranged" that Mexican customs officials in Tijuana deny entrance to the Pastors for Peace if they try to enter Mexico with goods that violate the U.S. embargo on Cuba.

The U.S. Customs operations plan indicates that "If the PFP (the English acronym for Pastors for Peace) try to enter Mexico through any border post, PFP members in possession of goods that require a license will be denied entrance and will be returned to the United States." Although San Diego Customs officials refused to answer specific questions about this operation, they did confirm the authenticity of the document according to which the United States has a "previously established" arrangement with Mexican Customs officials to facilitate the return of anti-blockade activists.

The Mexican Customs administrator in Tijuana, Antonio Martinez Luna denied Tuesday the existence of the agreement on the pastors. He told LA JORNADA: "There is no special agreement for any special group of people." He added: "Everybody must comply with Mexican norms, of course." Martinez explained there are customs procedures for goods on transit and they include the engaging of a customs expert, the presentation of bills of purchases, and securities that the goods will leave the country. If these requirements are met, "there is no problem." [passage omitted]

Mexico: Brazilian President Signs Trade Accord, Departs

PA2202132796 Mexico City XEW Television Network in Spanish 0400 GMT 21 Feb 96

[From the "24 Hours" newscast]

[FBIS Translated Text] Brazilian President Fernando Henrique Cardoso's official visit to Mexico has ended.

On the final day of his visit to Mexico, Brazilian President Cardoso had breakfast with Mexican businessmen. He told them that despite the severe crisis that Mexico went through the economy was able to come out ahead and that Mexico is a source of pride for Latin America.

Later on, President Cardoso and his wife, Ruth, accompanied by Oscar Espinoza Villarreal, chief of the Department of the Federal District and his wife, placed a wreath on the Altar to the Fatherland.

Shortly before noon, the Brazilian president spoke before the Permanent Commission of the Mexican Congress during a special session. President Cardoso asked Mexican legislators to promote a closer and more effective relationship with Brazil. At the conclusion of his visit to the Chamber of Deputies, in an interview, the Brazilian president criticized the drug trafficking certifications granted by the United States to some nations.

[Begin Cardoso recording] I do not think it is right to certify the behavior of countries. Countries must have their own mechanisms. I believe the drug trafficking problem is a serious one that must be fought, but it must be fought in the interest of each one of us and not because of a certification. [end recording]

At noon, the Brazilian president held a masterful conference on economic globalization at the College of Mexico and later participated in a private luncheon.

At the conclusion of his visit to Mexico, at the Los Pinos Presidential Residence, Brazilian President Cardoso and Mexican President Ernesto Zedillo signed an extensive cooperation agreement in an attempt to double the volume of trade between the two countries. President Zedillo said:

[Begin Zedillo recording] Starting today, both countries will have regular mechanisms of political consultations that will allow us to coordinate both countries' positions in multilateral forums. [end recording]

The Brazilian president left the presidential hangar for Rio de Janeiro at 2100.

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Mexico: Agreement With Brazil To Work Strategic Alliance

PA2202145796 Mexico City LA JORNADA in Spanish 20 Feb 96 p 5

[Report by Jose Antonio Roman]

[FBIS Translated Text] Mexican President Ernesto Zedillo and Brazilian President Fernando Henrique Cardoso agreed yesterday to work on a "strategic alliance" that determinedly promotes free trade, productive investments, and dialogue and consensus in matters of common interest, as well as cultural and technological exchange.

In addition, the Mexican president expressed his "profound interest" in negotiating with the Common Market of the South (Mercosur) a broad agreement that brings order, certainty, and transparency to commercial relations between the parties.

"At the same time, we are also determined to give an unprecedented impulse to the exchanges, productive initiatives, and Mexican and Brazilian investments that generate new opportunities and more jobs for the benefit of our peoples," President Zedillo said last night at a dinner in honor of the Brazilian president.

In the morning, at the official welcoming ceremony held in the central yard of the National Palace, President Ernesto Zedillo proposed to his Brazilian counterpart Fernando Henrique Cardoso an alliance to strengthen dialogue and consensus in regional and international matters on which the two leaders share the same views and interests.

In his speech, the Brazilian president accepted the proposal. He noted that this proposal will help build a "promising future" for the two nations, which not only will seek a commercial exchange, but also educational, cultural, technical, and technological exchanges.

"As leaders of two nations that are proud of their history and looking toward the future, we share the conviction that the new greatness of Brazil and Mexico can only be built by persevering in the modernization of our countries and their participation in an increasingly competitive and demanding world," Zedillo said during the ceremony. The respective retinues also attended the ceremony, in which the Mexican and Brazilian national anthems were played.

Zedillo asked President Cardoso to take advantage of the existent friendship between the two nations, the identification of the efforts by each of their societies, and the enormous potential of the two nations to give political and economic ties "a new dimension."

There should not be a cordial distance between the two countries, but rather a permanent rapport and strong cooperation. "This is the reason that we propose that this rapport and cooperation be strengthened and stated in a strategic alliance," the Mexican president stressed.

Zedillo added that Brazil and Mexico identify with one another and acknowledge their efforts in building a dynamic, balanced, just, and democratic development, a development that incorporates and benefits each family, each community, and each region.

Meanwhile, President Cardoso pointed out that there is a mutual commitment to place Mexico and Brazil on the "priority list" in their respective agendas once again.

He recalled the meeting in Bariloche, Argentina, during the last meeting of the Ibero-American Summit, in which the two presidents reflected on foreign policy. At that meeting, the presidents agreed that the foreign policy of developing countries, Mexico and Brazil for instance, cannot be orchestrated with exclusions.

"In any point of the world in which we might be, two countries such as ours should necessarily seek one another out, know one another better, explore opportunities, and share experiences at times learned with sacrifice," President Cardoso said during the official ceremony, moments before reviewing the honor guard.

"It is an illusion to think that in this continent the economic success and political and social stability of any of our countries can take place without the success and stability of the other countries, in an increasingly internationalized economy," stressed President Cardoso, who is completing a three-day work visit in our country.

Subsequently, the presidents, along with the foreign ministers, held the first round of private talks. Later, they held another meeting with their retinues, and the press was allowed access to this meeting for a few minutes. There, President Zedillo said that on this day, after the work meeting at Los Pinos official residence, they planned to issue "a great joint declaration." This declaration will enable the countries to begin a new phase in Mexican-Brazilian bilateral relations, "very different" from the one that had existed until now.

During the dinner, which was also arranged at the National Palace, President Zedillo voiced Mexico's profound interest in negotiating with Mercosur, which President Cardoso described as "an innovative proposal," and added that his country would be willing to study it along with the rest of the nations that constitute Mercosur, namely, Uruguay, Argentina, and Paraguay.

President Zedillo told his counterpart that he is convinced that the more united Brazil and Mexico are, the

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stronger each one of these nations will be, and so will Latin America. Along these lines, he emphasized that the two presidents are determined to bolster bilateral actions to fight drug trafficking, money laundering, and all related crimes.

At the reception hall, the Mexican president decorated the Brazilian president with the Aguila Azteca order of the grade of Grand Collar. In a reciprocal gesture, President Cardoso presented Zedillo with the Cruzeiro du Sul national order.

In the afternoon, Cardoso held separate meetings with PRD [Party of the Democratic Revolution] leader Porfirio Munoz Ledo; PAN [National Action Party] leader Carlos Castillo Peraza; and PRI [Institutional Revolutionary Party] leader Santiago Onate Laborde, as well as with PRD member Cuauhtemoc Cardenas.

Meanwhile, the congressmen who accompanied President Cardoso signed with Mexican legislators the Act to Constitute the Mexico-Brazil Parliamentary Group, and made a commitment to hold meetings of the congresses of the two nations every year. The first interparliamentary meeting will take place in Brazil this year and from then on, the host country will alternate. The delegations will not exceed 10 members, and the agreements will be submitted for the approval of the respective congresses.

Mexico: Brazilian President Addresses Congress

PA2302012196 Mexico City EL FINANCIERO in Spanish 21 Feb 96 p 45

[Report by I. Becerril, V. Chavez, and Manuel Moreno]

[FBIS Translated Text] During his speech to Congress, Brazilian President Fernando Henrique Cardoso stated that the globalization does not necessarily mean the political unification of countries, but respect for the specific interests of each one. He proposed the unification of Latin American countries "to raise our voice" against those who today decide the financial destiny of the world.

Meanwhile, Mexican legislators requested his support to issue a pronouncement, from the Latin American Parliament in Sao Paulo, against the interventionist attitudes of some countries.

In an inspiring speech before Mexican lawmakers as part of his visit to Mexico, Cardoso urged Mexican and Brazilian parliamentarians to join the forces of the two nations, in order to struggle together and overcome interests that are not our own.

In his speech, much applauded by the Mexican legislators, the Brazilian president underscored that entering a globalized economy "does not entail renouncing basic principles of foreign policy."

Meanwhile, he called on Mexico and Brazil to try to improve the quality of their relations. "We must not be afraid of bilateralism in a world of growing regionalism. No exception must be ruled out in the options presented to countries such as ours."

Later, Cardoso held a private questions and answers meeting with Mexican lawmakers, where PRI [Institutional Revolutionary Party] Senator Jose Angel Conchello asked his support to issue a pronouncement, from the Latin American Parliament, against the "meddling" of countries that "want to trample over us."

The response of the Brazilian president is that "I share that same feeling."

Upon leaving, Cardoso told reporters that the "certifications," like the one the United States plans to award to Mexico, are very "delicate" for all of Latin America. He added this should change because "I don't believe it is correct to certify the behavior of countries."

Cardoso expressed that the problem of drug trafficking is too serious in Latin America and in the world, but it must be fought by each country and its government, without certifications from anyone.

In a separate event, speaking to business organizations, the foreign president said that without a firm dialogue there is no conviction, and this causes the economic transformation processes to lose importance and become rhetoric.

In order to achieve modernity, Cardoso recommended not only to abandon protectionist models but also to begin with the democratization of society, beyond the parties and the government.

Finally, Cardoso concluded that the globalization is not done in the air, but with the mediation of certain blocs. In this regard, he explained that for his country Mercosur [Common Market of the South] is an important point.

In the meantime, in a joint declaration, the presidents of Mexico and Brazil reaffirmed their interest to promote a more effective international cooperation against the criminal network linked to drug trade and use.

Through the official spokesman and social communication director of the Presidency of the Republic, who read the declaration, the two presidents stated their desire to build a strategic alliance between the two countries, both to strengthen bilateral ties and proclaim positions regarding important issues on the hemispheric and global regional agenda.

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The presidents highlighted the desire of their governments to hold periodical political consultations between high-ranking officials from both Foreign Relations Secretariats. They instructed their foreign secretaries to coordinate, as soon as possible, a meeting of the consultation mechanism at the level of under foreign relations secretary, and to discuss the possibility to begin the works of the Mexico-Brazil 21st Century Commission.

Zedillo and Cardoso acknowledged that there is enormous potential to expand and enrich the bilateral relation based on a new political desire to improve ties, which contributes not only to the development of the two countries, but also to the development of Latin America as a whole.

They also agreed on the need to stress the importance of the negotiation process between Mexico and Mercosur, which is aimed at reaching a broader agreement permitting the creation of better conditions for the economic and commercial integration between the countries.

Mexico: 80 Percent of Banks' Assets Said Solvent

PA2202232796 Mexico City EL FINANCIERO in Spanish 16 Feb 96 p 4

[Report by Alicia Salgado]

[FBIS Translated Text] With the capitalization of Bancomer and Inverlat the Mexican financial system has guaranteed the solvency of 80 percent of the total assets of private banks. The sale of the portfolio to the Fobaproa [Savings Protection Banking Fund] will amount to 76 billion pesos. In addition, the system will receive an injection of 37.52 billion pesos from private resources.

The 8.6 billion pesos ($1.147 billion) contribution by the Bancomer Financial Group (GFB) through the sale of 16 percent of its shares to Bank of Montreal and the purchase of up to 51 percent of the capital of Aetna Monterrey Securities (Vamsa) will allow GFB to have 190 billion pesos in assets and a net worth of 22 billion pesos. As a result of this, Bancomer has moved closer to the position occupied by the Banamex Accival Financial Group (Banacci) with regard to assets. But with regard to net worth, Bancomer climbed to a higher place.

Slightly less than half of the new capital to be injected in Bancomer will come from the sale of 16 percent of GFB series "B" shares, approximately $466 million. This operation was agreed upon yesterday when the two institutions signed a letter of intent.

Meanwhile, the National Banking and Securities Commission (CNBV) disclosed the agreement signed among Fobaproa, the Inverlat Financial Group [GFI — Gfinlat] stockholders, and the Bank of Nova Scotia, another Canadian institution.

The Bank of Nova Scotia will acquire 55 percent of the shares of the fourth leading Mexican group for approximately $225 million. Of this amount, $175 million will be invested immediately to strengthen Inverlat's financial capability. Another $50 million will be paid to Fobaproa in five years if by the year 2000 GFI's worth surpasses $475 million.

Eugenio Garza Laguera, president of the GFB administrative council, and Ricardo Guajardo, its general director, indicated that to accomplish this capitalization, the GFB capital will be increased in order to permit the merger of Vamsa Aetna (12.6 percent of Mexico's insurance market). This operation will entail the purchase of no less than 51 percent of Vamsa Aetna's capital, since the remaining 45.5 percent is owned by Aetna, the U.S. insurance company.

Bank of Montreal will thus receive 951 million GFB series "B" shares and will sign an agreement for 125 million pesos in subordinated GFB debentures of obligatory conversion. It will also receive between $75 and $125 million in Bancomer's interchangeable subordinated debentures, for a total estimated value ranging between 3.2 and 3.6 billion pesos ($466 million).

The debentures will be compulsorily converted to series "B" shares on the seventh year, and voluntarily so on the third year. It was also agreed that GFB will have the option to purchase 10 million Bank of Montreal shares (4 percent of its capital), contingent upon the attainment of profitability goals (return on investments and projected price in book value) over a period of five years.

In 1995, GFB reported 505 million pesos in profits (44 percent less than in 1994). With a capital investment figure of 8.6 billion pesos, Bancomer — its main subsidiary — registered a 11.5-percent capitalization index at the end of 1995 (compared to 9.11 percent in December 1994). It also reported 86 percent in the preventive reserve figure of its overdue portfolio, that is, 7.365 billion pesos in 1995, compared to 2 billion pesos in 1994.

The operation enables Bancomer to sell to Fobaproa a gross portfolio of 17.8 billion pesos (of which 8.8 billion is overdue) and a net portfolio of 15.6 billion pesos (minus reserves).

With this sale and the natural contraction registered in 1994, Bancomer's credit portfolio shrank by 30.3 percent. The gross overdue portfolio went from 12.31 percent in September to 7.9 percent in December, and

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the net overdue portfolio went from 5.31 percent to 1.2 percent in the same period.

With regard to the agreement signed by financial authorities and Inverlat and Bank of Nova Scotia shareholders, it was determined that the latter will purchase 16 percent of GFI for $50 million. Additionally, it will purchase subordinated debentures for $125 million, convertible in 39 percent of the shares of the Mexican group on 31 March of the year 2000.

These debentures will pay the LIBOR rate plus one point, and should they be converted, the Bank of Nova Scotia will pay the federal government an additional $50 million if the value of GFI surpasses $475 million when the transaction takes place.

It was agreed that Fobaproa will maintain control of GFI until the conversion of the debentures of the Bank of Nova Scotia takes place. However, next month, executives of the Canadian bank will take over the administration (responsible for the management and operation) of the financial group and its subsidiaries.

To complete this operation, Fobaproa will take over the bank's high-risk assets, as well as Inverlat's factoring and leasing agencies. However, Inverlat will continue to manage these assets with the commitment of current shareholders to contribute to the recovery of the assets of the "bad bank" [banco malo] in order to exercise the right to hold between 9 and 45 percent of the shares of GFI, in terms of the payment of liabilities to Fobaproa over five years.

Mexico: Manufacturing Group Urges Stronger Government

PA2302024596 Mexico City EL FINANCIERO in Spanish 20 Feb 96 p 19

[Report by Isabel Becerril]

[FBIS Translated Text] It is important for Mexico to have a stronger federal government, a more solid business sector, and a consolidated labor sector in order to leave behind the recession of 1995 and to strengthen the bases for economic development.

This is what Victor Manuel Terrones Lopez, president of the National Association of Manufacturers (Canacintra), said when asking the Mexican authorities to defend our national sovereignty before the United States with greater dignity, through more specific actions, and to prevent at all costs our country from becoming an electoral instrument of the Americans.

As for the economic model, he said that even though the current one is the appropriate one, it is still characterized by countless deficiencies, therefore constant work must be done to establish new mechanisms aimed at strengthening the national financial system.

He said the country's economic reactivation will be slow if production and jobs are not created. It is also necessary to create the necessary conditions to maintain a healthy control over the inflation rate.

Likewise, he said fiscal deregulation, the promotion of domestic savings, and the promotion of productive investments are essential to generate confidence among companies, thereby recovering a healthy sustained growth of the economy.

One of the sectors most adversely affected by the crisis, which Mexico is going through, has been the manufacturing sector. He recognized the urgent need to draft an industrial policy that can allow all productive sectors not only to come out of the economic pothole, but also to grow and to create jobs.

In a news conference, the industrial sector leader said that only through a respect for the law, the separation of powers, and the acceptance of the individuality of each citizen, we can attain a vigorous government.

The union of all Mexicans will prevent "individual or group forces from abroad from harming us."

Terrones Lopez said President William Clinton's intentions to deny Mexico the certification for its fight against drugs are only due to the ill—intentioned actions of the Democratic and Republican Parties of that nation in destabilizing the political and economic relations between the two countries to gain supporters.

In view of this, he said that Mexico must act in a more clear and active manner over the arbitrary actions the United States has committed not only against the country, but also against agreements such as the Free Trade Agreement.

Mexico: Unemployment Increases to 6.4 Percent in Jan

PA2202233096 Mexico City EL FINANCIERO in Spanish 20 Feb 96 p 21

[Report by Luis Acevedo Pesquera]

[FBIS Translated Text] Despite optimistic government speeches, the unemployment rate jumped during January 1996 to 6.4 percent of the economically active population (PEA). This means that an additional 250,000 persons were unable to find a job in the Mexican economy during January alone.

The National Institute of Statistics, Geography, and Information Science (INEGI) attributes this result to seasonal variances, even though this latest figure is 1.9

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percent higher than the January 1995 rate and double the 1994 rate. This confirms the view that unemployment is becoming a structural problem.

To picture the magnitude of January's 6.4 percent unemployment rate, one only needs to visualize that it represents 250,000 persons who could not find a job on the formal economy. A similar number of Mexicans were dismissed from the transformation industry during 1987, which was believed to be the worst crisis in Mexican history. The official data shows that at least 2.18 million persons of the PEA lack a regular source of income. The situation worsens if you include the underemployed workers seeking an additional job. This group represents 10.7 percent of the PEA.

The situation is worrisome when you consider both the underemployment and unemployment levels, which together stood at 11.3 percent in January. Even though this is an 8-month low rate, it reveals the inability of the Mexican job market to absorb the national demand for jobs.

Another sign of how deteriorated the Mexican labor force has become is the fact that 86 percent of unemployed persons nationwide have had previous working experience, while only the remaining 14 percent do not.

Mexico: Article Views Petrochemical Privatization

PA2302020196 Mexico City EL FINANCIERO in Spanish 19 Feb 96 p 48

["Reasons" column by Jorge Fernandez Menendez: "Trade Unions and the Petrochemical Sector"]

[FBIS Translated Text] As we have previously warned, none of the potential conflicts the Zedillo administration faces in 1996 has so many strategic repercussions (domestic and foreign) as the privatization of the secondary petrochemical sector.

The truth is that, although the idea of privatizing this area of production of petroleum by-products is being maintained, with the appointment of Jesus Reyes Heroles as energy secretary, efforts have begun not only to find a political path to the privatization process but also to make it part of an overall energy plan. Adrian Lajous did not seek that path when he was Pemex [Mexican Petroleum] director and perhaps due to his illness, [former Energy Secretary] Ignacio Pichardo Pagaza was also unable to seek it. For the time being, the process will be much more gradual and with clearer objectives than those proposed last year. The new call for bids (which will not be presented as a bloc but by plants) will include the analysis of some strategic aspects that had been neglected, ranging from the business plan proposed by the buyers to the explicit rejection of the forming of private monopolies. Last week in Tula, President Zedillo announced that all the resources obtained from this privatization process will be used to strengthen Pemex, which, by the way, will undergo an in-depth fiscal and budget reform to make it more efficient.

The significance of all this can be perceived only one way: If one understands that the real problem for the sale of the secondary petrochemical sector is political and centers on the petroleum workers union and several of its protagonists.

One of the main protagonists is Carlos Romero Deschamps, leader of the petroleum workers union. His situation is particularly difficult: Romero is from Hidalgo and his real base of political operations is in Tula. Therefore, he is far from many of the union's power groups and above all, from those who feel affected by the possible sales and who are especially active in Veracruz. But that is the least of his problems. Romero Deschamps faces three simultaneous adversaries: First, he faces Joaquin Hernandez Galicias, alias "La Quina," and his still powerful groups in the petroleum workers union.

Romero Deschamps was a close associate of the Tamaulipas leader but when Hernandez fell in January 1989, he was able to find a niche and organize a group of Quina followers without "La Quina." He was able to become leader of the union but won the open hostility of the imprisoned leader and his power groups. Romero Deschamps knows that as soon as Hernandez Galicia is released, his problems in the union will intensify.

The presence of "La Quina" becomes more problematic because of the alliances his group has established. These are evident with its public support of the single front proposed by the EZLN [Zapatist National Liberation Army] and supported by Cuauhtemoc Cardenas, with which it publicly expressed solidarity at the meeting establishing it in Acapulco. It is believed that the (still powerful) remnants of Quinism are threatening to establish more than a circumstantial alliance with Cardenas and the hard-line sectors of the PRD [Party of the Democratic Revolution], including some of the groups in the fringes of the EZ [Zapatist Army]. For the time being, that presence has been quite marked in Lopez Obrador's mobilizations in Tabasco. There is also the electoral strategy: In the 1995 elections, the PRI [Institutional Revolutionary Party] did not win in any of the communities with a strong petroleum workers vote, except in Salina Cruz. The paradox is that in the great majority of those communities, the presence of the opposition is almost insignificant; which means that

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the petroleum vote was what shifted or refrained from voting.

However, that is not the only open front for the current senator. In addition, he is sustaining the pressure being exerted by the followers of former leader Sebastian Guzman Cabrera, with a strong presence precisely in Minatitlan, and by the group of petrochemical workers, who also opposed Romero Deschamps and hope to return to the union's national directorate in the following term. These groups are the ones exerting the strongest pressure on the current leadership and threatening to bury the current leaders.

However, the problem is more serious since it involves the issue of the succession per se in the CTM [Confederation of Mexican Workers]. According to preliminary agreements on the sale of the petrochemical sector (which the directorate of the petroleum union has not signed), the government would guarantee that the collective contract of the workers of the privatized companies be maintained. There are two challenges involved in this issue. First, this would obviously exclude trusted workers. Second and most important, in strict terms, the workers of the privatized petrochemical companies would have to become members of the union of petrochemical workers led by Gilberto Munoz Mosqueda and leave the petroleum union, even if their collective work contract is respected.

If the privatization and the affiliation of the workers with the union led by Munoz Mosqueda do take place, Munoz Mosqueda would become one of the most influential leaders in the directorate of the CTM. In addition, CTM President Fidel Velasquez has always given his open support to the career of this 60-year-old union leader from Queretaro, which would make Munoz Mosqueda one of the leading candidates to succeed Fidel Velasquez himself. Thus far, the CTM has already begun to establish its position. Faced with a chaotic and untrustworthy petroleum union and the prospect of having a strong union of the petrochemical sector, closely linked to its Executive Committee, the CTM has opted for the second alternative, and apparently, it has already reached very thorough agreements — which should not be disregarded — to this effect. This card played by the CTM in favor of the petrochemical sector's union might be decisive for the future of privatization.

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Costa Rica

Costa Rica: President To Meet With Christopher 26 Feb

PA2302012996 Panama City ACAN in Spanish 0008 GMT 23 Feb 96

[FBIS Translated Text] San Jose, 22 Feb (ACAN-EFE) — The Foreign Ministry confirmed today that Costa Rican President Jose Maria Figueres will participate in the meeting the Salvadoran and Honduran chiefs of state will hold with U.S. Secretary of State Warren Christopher in San Salvador on 26 February.

Costa Rican Foreign Minister Fernando Naranjo confirmed Figueres' trip to San Salvador and said Costa Rica, along with Honduras and El Salvador, will propose to Christopher that the United States give them "a treatment similar" to the one given to Mexico in the North American Free Trade Agreement (NAFTA). "How can Central America join NAFTA in the future is an issue to be assessed," Naranjo said.

The United States is also very interested in giving the Central American governments "aid to combat international crimes" and to train the police in the region, the official added.

Another issue to be discussed with the U.S. secretary of state is migrations. This decision was made at the "Tuxtla Gutierrez II" meeting of chiefs of state of Mexico and Central America held in San Jose last week. Naranjo said Salvadoran President Armando Calderon Sol has insisted on discussing the migration issue, because he believes it is a "very sensitive" one for El Salvador.

The Costa Rican foreign minister also said Central America will present the Alliance for Sustainable Development (Alides) program at the meeting with Christopher. The governments of the regional are promoting this program, and they expect "greater cooperation from the United States" to further their initiative.

El Salvador

El Salvador: Christopher To Meet Central American Heads

PA2202233296 San Salvador EL DIARIO DE HOY in Spanish 22 Feb 96 p 9

[Editorial: "Only the Poor Countries Get Their Arms Twisted"]

[FBIS Translated Text] *"Warren Christopher had a short message for the Croatian president... he had better cooperate with the United States if he wants to integrate economically with the West...*

"To receive political advantages from the special position the United States holds in the international, economic sphere is a topic that prevails in President Clinton's foreign policy. The United States may be having difficulties, but it still has the key to grant billions of dollars in international loans. A better way to measure a nation's position in the period subsequent to the Cold War is not by its nuclear missiles but, rather, by the number of votes it controls in the International Monetary Fund...

"'You do not have to be a genius to know what happened in Europe after the Second World War,' Christopher's assistant said (to this reporter) when he referred to the mass amount of dollars distributed with the Marshall Program. 'Nations that trade do not fight. They share interests in a way not shared by autarchical economies. [no closing quotation mark as published]

"The United States has used its economic power with mixed results. As a rule, the smaller and more broken up an economy, the more susceptible it is to getting its arm twisted..." THE WASHINGTON POST, 12 February

U.S. Secretary of State Warren Christopher on 26 February will meet with the presidents of five small, weak, partially bankrupt, poor, Central American nations to talk about development, integration, the war against poverty, democracy, reconciliation, and so forth. "You do not have to be a genius" to know who will present the agenda, preside over the discussions, vote in everyone's name, and write the final communique.

THE WASHINGTON POST teaches the lesson and does not beat around the bush to do so. The cited article is entitled: "Christopher Achieves Political Objectives With Economic Means." This is nothing new in the world. In old times, armed conquest was frequently replaced by exchange treaties. Rome's power advanced greatly when it granted the coveted title "Friend of the Roman People and Senate" to small kingdoms in its domains. This friendship was invariably preceded by annexation. It is much cheaper to grant credits, which are always collected, than to send warships and maintain garrisons abroad.

The corollary of those very old strategies is that empires do not have a particular interest in developing client or neighbor countries, because prosperity always brings a degree of independence. If the root of power depends on the credits that can be granted, credits which are, furthermore, presented as aid, it is logical that you cannot exert great pressure on nations that have "self-sustaining" economies. THE WASHINGTON POST asserts that it is one thing to refuse credits to Croatia and quite another to do so to the Soviet Union, a nation

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which would then be forced to depend on its own resources due to its size.

We Are in a New War With the Wrong Weapons

Seen under this light, we can understand the events that occurred in the early 1980's, when the Carter administration imposed the "structural reforms" on El Salvador. The band that took power in October 1979 did not grasp how vitally important it is to preserve the country's productive structures when not in a war and proceeded to ruin the country with confiscations and nationalizations, getting very rich personally. One of the coupists has the largest fortune in El Salvador. Furthermore, it is ironic that the FMLN [Farabundo Marti National Liberal Front] was able to conceive that economic sabotages will lead to the enemy's defeat. Thus, the coupists on one side and the rebels on the other went about the task of tearing down the country's productive system, and this made us fall in the most abject of dependencies.

It will be very difficult for El Salvador to get ahead if it goes from the "prolonged people's war" to the "war against poverty." The weapons of this new battle do not consist, as is proper, of strengthening legal security, combating crime, attracting investment, and generating jobs. They will again make use of the old Alliance for Progress formula presented by the deceased Kennedy: build public washing places [lavaderos publicos] and health centers.

Honduras

Honduras: Reina To Attend Regional Presidents Meeting

PA2302001696 Mexico City NOTIMEX in Spanish 2153 GMT 22 Feb 96

[FBIS Translated Text] Tegucigalpa, 22 Feb (NOTIMEX) — Honduran President Carlos Roberto Reina will travel to San Salvador on 26 February to attend a meeting between regional presidents and U.S. Secretary of State Warren Christopher, the Government House announced today.

It was reported in a press communique that the delegation to accompany Reina will be comprised by Honduran Congress Vice President Jorge Arturo Reina, Economy Minister Fernando Garcia, Foreign Minister Roberto Arita, and Press Adviser Nora Schawer.

Mentioning the subjects the isthmian presidents and the envoy of U.S. President William Clinton could discuss, the communique stated: "Unlike the Cold War, which could be clearly understood, we will now have to discuss how to successfully meet new challenges."

Reina will return to Honduras the same day after the meeting concludes.

Nicaragua

Nicaragua: Army Dismisses Fear of Elected Candidate

PA2302011696 Managua EL NUEVO DIARIO in Spanish 19 Feb 96 pp 1, 2

[Report by Edgard Barberena S.]

[FBIS Translated Text] Army Chief General Joaquin Cuadra Lacayo has dismissed any possible prejudices or fears of the military institutions apparatus if a certain candidate wins the general elections at the end of the year, whether in the first or second round.

Cuadra was optimistic that the presidential candidates that have emerged will not make the Armed Forces, or much less the institution of a civilian Defense Ministry — something that sooner or later will be a reality in Nicaragua — into a political issue.

Gen. Cuadra spoke at length during Sunday's "This Week" television program hosted by Carlos Fernando Chamorro.

Will the Political Leaders Show Maturity

"I am certain that the proposals, political platforms, and government programs presented by the different groups will be sufficiently mature on the matter of the Army.

"The Army must be viewed as an permanent institution of the state. The joint efforts by the governments and the Army command seek to boost, strengthen, and secure this major institution of the state," he said.

"I have not heard any destructive statements regarding the Army. It is quite the opposite, there are many things pending that we hope to continue with this government, and the next government, and the next government," Cuadra said.

"We believe that they (the presidential candidates) will surely adhere, as all Nicaraguans will, to existing laws. I do not think there will be any problem," he said.

The Army's Credibility

The program also analyzed the credibility the military institution is gaining. Several persons called to express their views, and some said that they have not noticed any change.

During a poll that was taken, the television channel introduced student Jose Manuel Chavez, who said the army has changed, in keeping with the government's orders, but unemployed woman Martha Lorena

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Blandino said the Armed Forces "have changed for worse, because before we were afraid of the Somozist GN [National Guard], and now they almost resemble that guard."

Automobile mechanic Jesus Madrid said that perhaps time will change the situation of the Army. Salesman Victoria Garcia says that the Armed Forces have changed a little because in the past they would beat people.

Telcor technician Erwin Vedel said that the Army has changed because currently they receive training in fire fighting, "however, it is necessary that the government give the Army more support to face the gangs that are affecting producers."

Former parliament president Luis Humberto Guzman says he sees ongoing change in its desire for professionalism, "after all, Cuadra is strictly a military leader, with little political vocation and greater dedication to Armed Forces issues."

Jose Adan Guerra, director of the Nicaraguan Center for Strategic Studies (CEEN), said that the Army is following the direction established by the constitution, becoming a non-partisan, professional army that does not involve itself in political situations.

Cuadra's Reply

In response to the questions of program host Carlos Fernando Chamorro during the program, and taking into consideration the interviews, General Cuadra said that the Army has firmly continued its process of professionalization, thus becoming a genuine institution of the Nicaraguan State. The Army has been taking steps to increasingly win legitimacy.

Cuadra, who about to end his first year as the maximum chief of the Army, said that he has gradually been changing the military apparatus to strengthen its institutionality, to give greater legal strength to all its internal actions during the process of professionalization.

Role During the Elections

Regarding the Army's role during the elections, this program aired another survey with other sectors, including Edmundo Castillo Ramirez, second vice president of the National Assembly, and PLC [Liberal Constitutionalist Party] Second Vice President Eliseo Nunez. PLC Nunez said the Army should stay aside during the upcoming elections "because it would otherwise interfere with some electoral districts in an attempt to influence on a given candidate."

In this regard, Cuadra said the Army has already been working in view of the elections and in due time, "we will cooperate with the Supreme Electoral Council to transfer to the municipalities — particularly the most distant ones — the necessary material for the elections. We are confident that there will be no major problems at the 26 municipalities where the elections will be carried out without the registry of personal identification cards [cedulacion]."

Host Chamorro asked: Why does the Army not eliminate criminal groups like El Lobo, el Diablo, and La Estrella? Cuadra replied that "it is an operational problem," adding that "the only way to eliminate these groups is through a time-consuming and difficult process because they are not all at the same place."

"For this reason, we have stated the need to provide additional resources to the Army so as to increase its operational capability and improve conditions for the elections," he said.

Cuadra confirmed that the Army has already communicated by mail — through Lieutenant Colonel Aviles — with gang leader El Charro. "However, there is nothing specific yet." El Charro's forces are the strongest in the countryside, "but I can assure you that the problem created by El Charro and his gang will be solved by the time the registration of farmers takes place."

Human Rights

The issue of human rights and the military apparatus was also examined. During this program, CPDH [Permanent Commission on Human Rights] President Dr. Lino Hernandez said there is no willingness yet to investigate the cases involving violations of human rights. "I believe that Gen. Cuadra's reaction, for instance, in response to Monseigneur Abelardo Matta's statements — who had accused him of seeking publicity and protecting soldiers instead of expressing a willingness to investigate the facts — is not the most appropriate way to handle matters."

Unicafe [Nicaraguan Coffee Growers Union] President David Robleto, said the Army was much more active during the 1994-1995 coffee harvest than during this 1995-1995 period and it has fewer budget resources to cover these areas. "We have made everything possible to join efforts to carry out this surveillance."

Army Changes Top Command's Image

Esteli Bishop Monsignor Abelardo Matta has said that the Army, in general, is changing its image. But the change is mostly at the top command levels, "because the countryside peasants still view the Army as the enemy, more than anything because they see that the armed conflict does not cease. Rumors abound in many places that the Army is encouraging the situation. But these incidents cannot be confirmed."

Are There Orthodox Officials?

Matta stated that some Army majors and field captains are yet to adopt the conduct described under the Military Code. The CIAV-OAS [International Support and Verification Commission] has addressed these weaknesses

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in the tripartite commission in seeking solutions to these problems.

The religious leader has expressed his concern for the rise of so-called "Border Patrol Army" groups made up of civilians. Matta said that "unfortunately, a few majors and captains are behind these groups, and they are encouraging this new arms buildup."

Panama

Panama: Canal Authority To Be Independent From Government

PA2302012396 Panama City EL PANAMA AMERICA in Spanish 21 Feb 96 p E8

[Report by Aquilino Ortega Luna]

[FBIS Translated Text] Jorge Ritter, director of the Transition Commission for the Transfer of the Panama Canal, said yesterday the new Panama Canal Authority will be totally independent from government. The Canal union leaders have said, however, they have not been taken into account in the preparation of the new Canal law.

"The new Canal Authority will be totally independent from government regarding the budget, administration, and income," Ritter said. According to Ritter, they are writing the Panama Canal Authority Law and want to give the Canal sufficient administrative and financial autonomy based on the new title added to the Constitution in 1994. "For all practical reasons, the Panama Canal will operate separate from the government and the budget of the Republic of Panama," he said.

Felipe Joseph, union leader and Panama Canal pilot, has said the workers sectors were not called to participate in the preparation of the Panama Canal Authority Law. "In early January, Ritter said he would consult the Panama Canal labor sector when the new law on the waterway was to be prepared, but he has not done so yet," Joseph has said.

Joseph has questioned the concept of establishing a "framework law" on canal issues and has recalled that one of the reasons the union has opposed the addition of the "New Constitutional Title" was because it was established through framework laws.

Panama: Reports on Laila's Extradition to the U.S. Denied

PA2302015996 Panama City EL SIGLO in Spanish 21 Feb 96 p 6

[Report by Jose Gonzalez Batista]

[FBIS Translated Text] The Judicial Technical Police (PTJ) have denied reports on the alleged deportation of Lebanese businessman Alberto Laila to the United States. This organization recently arrested Laila on money laundering charges.

PTJ Director Alejandro Moncada denied such reports yesterday, 20 February, and attributed them to a "joke" by unidentified people who called the media to give inaccurate information. Moncada said Laila was arrested last Friday and is being held at the orders of the Drug Prosecutor's Office. This office ordered his arrest after new evidence was found against h[illegible] "It is totally false that we are deporting businessma[illegible]ila," Director Moncada asserted when he was asked [illegible] EL SIGLO about the unofficial reports received on the mentioned case.

Several media sources received anonymous telephone calls yesterday morning, to report Laila's possible deportation to the United States, which wants his extradition. The source said alleged FBI agents would transfer Laila to the United States in an action similar to the one carried out with businessman Israel Mordok, who was arrested by the PTJ and later left the country escorted by U.S. investigation personnel.

Lawyer Cesar Guardia, who is Laila's technical representative, said last week: "Laila had no intentions of leaving the country. I, thus, see no reason for the Attorney General's Office to have him arrested the Friday before Carnivals."

Previously Laila had been arrested together with Mordok on 27 October. Mordok did not have his legal documents in order and was deported by the Immigration and Naturalization Directorate of Panama to the United States on that same day. He was escorted by FBI agents when he left the country.

On his part, Assistant Prosecutor Carlos Augusto Herrera also said he did not know of any reports related to the alleged deportation of businessman Laila.

Herrera said Panama's authorities have determined that Laila is a nationalized Panamanian citizen so his deportation or extradition to the United States would be impossible.

Laila was part of Mordok's group, on which there is a case pending in New York for the alleged laundering of $1.8 billion as well as counterfeit trademarks and fiscal fraud.

Laila, 28 years old, was arrested at the Colon Free Zone after Mordok personally pressed charges against him in the United States.

The investigation against Laila and Mordok began in 1987 after a file was opened on them, reportedly for exchanging company checks for cash.

Investigations reveal the two free zone businessmen paid a 1-percent to 3—percent commission for the purchase of each check, which was later sent overseas.

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Argentina

Argentina: State Reform Act Enacted Amid Opposition

PY2202225696 Buenos Aires TELAM in Spanish 0819 GMT 22 Feb 96

[FBIS Translated Excerpt] Buenos Aires, 22 Feb (TELAM) — Following a debate that lasted for more than seven hours until the early hours of today, the Senate enacted the Administrative Reform Act, which will empower the executive branch of government to overhaul the public administration.

The upper chamber voted the bill through — which will not affect the legislative branch or the judiciary — at 0230 with the concurrence of the Justicialist Party [PJ] bloc and its allies from the provincial parties.

The Radical Civic Union [UCR] bloc, Senator Jose Romero Feris from the Corrientes Liberal-Autonomous Pact, Corrientes Liberal Party Senator Juan Aguirre Lanari, Senator Juan Carlos Oyarzun from the Tierra del Fuego Popular Movement, and Senator Alfredo Avelin from the San Juan Renewal Crusade voted against the bill.

The long drawn-out debate started at 2000 yesterday when Senator Carlos Verna (PJ-La Pampa), Budget and Finance Committee chairman took the floor on behalf of the majority bloc to defend the bill submitted by the executive.

UCR Senator Leopoldo Moreau subsequently spoke from the floor to the present his argument on behalf of the Radical minority opposing the bill, which he termed "unconstitutional" on the grounds it "violates" Article 76 of the Constitution, which deals with the delegations of parliamentary powers.

Senator Antonio Cafiero (PJ-Buenos Aires) asserted that the administrative reform bill "does not seek the reform of the state" but rather "an administrative rationalization."

Cafiero ironically said that the 1989 State Reform Act "was a UCR initiative," which he substantiated asking his colleagues: "Was it not (Rodolfo) Terragno — current UCR president — who clamored for a privatization process?"

Provisional Senate President Eduardo Menem responded to the vitriolic criticism of the opposition senators — who said that they would feel uncomfortable when facing public opinion following the enactment of the law — saying: "I am not ashamed of going out on the street wearing the Senate colors because I have been doing so for 10 years.

UCR Bloc President Jose Genoud challenged the PJ criticism of the UCR for opposing the bills submitted by the executive, retorting: "The ruling party accuses the UCR of opposing the government for the sake of opposing, and yet the UCR voted in favor of the State Emergency Act and the Economic Emergency Act in 1989."

Aguirre Lanari supported his rejection of the bill by wondering whether by enacting the law "we are signing a blank check for the executive branch so that it has a free hand to restrict health care coverage, technological development, cultural or education activities under the pretext of budget constraints."

Romero Feris opposed delegating "extraordinary" powers to the executive branch because those "are Congress' exclusive powers, as provided for by the Constitution."

UCR Senator Luis Leon said that by virtue of the rationalization the bill envisages, "Law 18302/69/S regulating discretionary funds should be repealed." [passage omitted]

Argentina: Menem on French Investments, Visit to France

PY2202181696 Buenos Aires TELAM in Spanish 1424 GMT 22 Feb 96

[FBIS Translated Text] Buenos Aires, 22 Feb (TELAM) — President Carlos Menem today noted that most 1995 investments in Argentina were made by France, a country that he will visit on 25 February.

The president told Radio Municipal that he is "optimistic" about his visit to France, as "we have excellent political and economic relations."

Menem noted that, in keeping with the agreement achieved between the Mercosur [Common Market of the South] and the EU, it is likely that France will play "a key role" in investments and trade.

The president emphasized: "Most 1995 investments in Argentina were made by France." He noted that a French company was awarded the privatization of the National Sanitary Works.

Menem added that the company France Telecom participated in the privatization of Entel [National Telecommunications Enterprise] and was awarded the northern zone [not further specified], forming (with the Italian company Stet) the company Telecom.

The president added: "The first-rate penitentiaries that will be built in our country have also been awarded to French companies."

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Afterward, Menem emphasized that France is "heavily involved" in the construction of Yacyreta [hydroelectric dam project] and has interests in oil and gas exploration.

Changing the subject, Menem mentioned a meeting that he will hold with French President Jacques Chirac. Regarding Chirac, Menem said: "He is a friend. He is not a recent friend; he has been one for many years."

Menem explained: "I talked to him in New York (last year) during the 50th anniversary of the United Nations. And we left some important issues pending for this meeting."

Menem, in conclusion, made the assessment that his visit would be "beneficial both for Argentina and for France."

Argentina: Menem Accuses Quebracho Group of Inciting Riot

PY2202174496 Buenos Aires TELAM in Spanish 1352 GMT 22 Feb 96

[FBIS Translated Text] Buenos Aires, 22 Feb (TELAM) — While conceding that the police committed excesses in the repression of students who staged a demonstration in La Plata on 20 February, President Carlos Menem today accused the Quebracho [People's Unity Movement] group — which he termed a subversive organization — of inciting disturbances during this protest rally.

The head of state, speaking on Radio Municipal, said: "Why is the Quebracho group — an organization that has clear subversive leanings and that is evidently acting in the field of subversion — causing incidents all over the place?"

Menem pondered: "This is something I do not quite understand, but which obviously points to the fact that there are violent sectors in Argentina that want to go back to times that have been definitely overcome in our country."

The president went on to say that "we must adopt in that regard a very firm attitude to contain and head off that type of situation. Nevertheless, nothing can warrant excesses in the repression (of demonstrators), as was the case in La Plata, something which the chief of the (Buenos Aires Province) Police and, in particular, Governor (Eduardo) Duhalde have acknowledged by adopting gentlemanly behavior."

Menem added that Duhalde and Police Superintendent Pedro Klodczyk had acknowledged that "certain excesses were committed in the containment of demonstrators. Still, there were provocations by some groups who tried to raid the Infantry Guard to release some of the detainees."

The president further stated that "there were hooded people who went to the protest rally carrying Molotov cocktails. There were minors and other people who were carrying blunt weapons and sling shots to cause damage, to whom I do not know."

Menem stressed that what happened on 20 February "was not a demonstration held within the framework of a democratic government to protest against the University Assembly, which finally reformed the university by-laws."

In concluding, the chief executive said: "The presence of Hebe de Bonafini [the leader of the Plaza de Mayo Grandmothers] there was not warranted. What was [Pablo] Shocklender doing there, a man who some days ago was released after the crimes he committed [the murder of his father], crimes that are public knowledge?"

Argentina: Daily Urges Steps To Stem Growing Public Debt

PY2202231396 Buenos Aires CLARIN in Spanish 21 Feb 96 p 14

[Editorial: "The Debt Remains an Unresolved Problem"]

[FBIS Translated Text] According to recent official reports, the domestic and external public debt amounted to $87.091 billion by the end of 1995. This figure represents a 30-percent increase in relation to that of the end of 1991 and a significant burden to be shouldered by both public finances and society.

The above debt is not high either in terms of the GDP prevailing during the past five years or of international standards. This was true even in 1995, when our international commitments grew at a faster pace than in previous years.

Additionally, better international financing terms and, in general, lower interest rates on the international market have enhanced our chances of rescheduling payments falling due and, even, of contracting fresh loans. The latter possibility is quite likely on account of our growing difficulties to cover our fiscal expenses with our revenues.

This situation should not lead us, however, into underestimating the impact the debt is having on public finances. In the first place, we should not do this because, given the restrictions for increasing revenues and reducing expenses, our interest payments are forcing us to engage in long, arduous negotiations with international lending organizations to either reschedule our debts or obtain additional loans. These negotiations are resulting in new fiscal requirements.

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Furthermore, although it is true that the current situation on the international financial market is favorable — as proven by the reduced rate at which the dollar bonds were sold a few days ago — it is also true that this might change. It should be noted that prior to the Mexican crisis and to its subsequent tequila effect, there was a very high optimism about the supply of foreign capital.

It should also be taken into account that by competing with the private sector in obtaining funds on the domestic market, the state was contributing to keeping interest rates high.

Thus, the issue of the domestic and external public debt cannot be downplayed. On the contrary, we must reduce unproductive expenses and ensure that funds are well spent, fight evasion, and corruption, in order to prevent the debt and its costs from continuing to climb.

Argentina: Police Action Against Students 'Repressive'

PY2202233196 Buenos Aires CLARIN in Spanish 21 Feb 96 p 3

[Article by Eduardo van der Kooy]

[FBIS Translated Text] No authority — whether federal or provincial — dared explain on the evening of 20 February the reasons for the repressive measures taken in La Plata against students who were demonstrating against the enforcement of the Higher Education Act and the modification of the University of La Plata bylaws.

Official contradictions — the repression was first justified, but then, when the incumbent administration became aware of the high political cost of such an attitude, it promised an investigation into the incidents — only helped to heighten surprise and indignation.

The unchecked police crackdown may have been the result of an erroneous political evaluation the Buenos Aires Province officials in charge of security. They reckoned that infiltrators who had not participated in the university assembly might provoke incidents. Yet it was the police intervention that set off the powder keg.

The arrests were made by Alberto Piotti, Buenos Aires Province security secretary, who identified four members of the left-wing students' organization Quebracho [People's Unity Movement] among the detainees.

According to the State Intelligence Secretariat (SIDE), the Quebracho movement participated in the violent disturbances that occurred in Cordoba and other northern provinces last year. The Buenos Aires Province Government might have deemed that the growing unrest in the poor areas of Greater Buenos Aires due to the dire economic situation and unemployment could become a breeding ground for this leftist movement.

This notwithstanding, nothing could warrant the viciousness and the lack of control with which the police repressed students and many other people who had nothing to do with the protest rally, including a cameraman, who was fired with rubber bullets at point-blank range and robbed of the videotape recording the incidents.

Nor did any authority explain why there were groups of policemen dressed in civilian clothes, masked, and driving cars without licence plates, who arrested anybody who went near the area of the incidents. Those operations were very much like the illegal repression undertaken by the last military regime.

Argentina: Brazilian Daily Interviews Defense Minister

PY2102004696 Rio de Janeiro O GLOBO in Portuguese 18 Feb 96 p 24

[Interview with Argentine Defense Minister Oscar Camilion by correspondent Monica Yanakiew in Buenos Aires; date not given]

[FBIS Translated Text] [Yanakiew] During his tenure as Argentine ambassador to Brazil from 1976 to 1991, journalist Oscar Camilion went through times of high tension between the two countries: A dispute between the military governments of both countries over the waters of the Parana River. Serving as defense minister since 1993, Camilion has been in charge of implementing a better part of the reforms in the Armed Forces. On 26 February, Camilion is scheduled to visit Brasilia to meet with General Benedito Leonel, chief of the Armed Forces General Staff; with Strategic Affairs Secretary Ronaldo Sardenberg; and with Itamaraty Secretary General Sebastiao do Rego Barros to discuss topics that will be on the agenda of the meeting of defense ministers of the Americas to be held in Bariloche in October.

After having one of the most violent dictatorships in Latin America, how did Argentina manage to put the military under civilian rule?

[Camilion] The answer is simple: The Malvinas Islands. The Argentine military left the government in 1983 after doing an extremely poor job in managing the economy and, worst of all, after losing a war to the British over the possession of the Malvinas Islands. The problem in Latin America has always been to determine who controls the defense area: The military or the civilians. In the United States, Canada, and now in Argentina, civilians control the defense area. In this respect, we are ahead of other Latin American countries. In other neighboring countries in which

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the military stepped down from the government but remained strong, the situation has been different. For instance, in Chile, where the military regime had had economic success, the Army commander (former dictator Augusto Pinochet) is a powerful man. In Brazil, where the military were not weak when they left power, there is not even a civilian defense minister. In countries like Colombia the military is strong because they are the only force capable of contending with the multinational forces controlling the narcotics trade.

[Yanakiew] The armies of two neighboring countries, Peru and Ecuador, have recently clashed over a piece of land at their border. Aren't you afraid that the Argentine Armed Forces may have been weakened to the point of being unable to react in case of a regional conflict?

[Camilion] No, because we no longer have border disputes. The Argentine—Brazilian border has become a border of integration. We had a pending problem with Chile over the demarcation of our border in the Continental Glacier area, but this has never been a cause for waging war. Upon the end of the Cold War, the military has lost its traditional role of fighting subversion and the expansion of communism. Military budgets have been streamlined worldwide — namely in Europe and in the United States. A restructuring effort must be carried out.

[Yanakiew] What kind of restructuring do you envisage?

[Camilion] We need fewer, but better trained and equipped men. They have to perform other functions too. The Brazilian Army, which had earlier been tasked with patrolling the Argentine border, is now concentrating its efforts on fighting drug traffickers in northern Brazil. They now want to set up radars to monitor the Amazon region. That is not a problem dealing with defense, but with security. In Argentina, a major challenge for the Navy is to protect our fish from fishing boats that are plundering our natural resources. After all, Argentina is today exporting more fish than beef.

[Yanakiew] Doesn't Argentina want to install 22 radars in its territory too?

[Camilion] Yes, we have just discussed that issue at a meeting. I would say that we have learned a lot from the Sivam [Amazon Region Surveillance System] case in Brazil. We have learned, for instance, that to avoid having similar problems we should organize a public bidding. We have to be careful because international companies in this area are extremely aggressive. They exert a great deal of pressure.

[Yanakiew] Many things have already occurred under your tenure: Mandatory military service has been discontinued, the military has privatized its institutions, and they have even asked for forgiveness for the actions they committed during the "dirty war." What is still needed to complete the military restructuring?

[Camilion] I want to introduce the concept of "part life" military (to serve as a military man for part of one's life); that is, the concept that a military officer should come only from an academy such as Agulhas Negras is obsolete. We also want to recruit personnel from regular high schools. These personnel would never reach the highest ranks such as generals. They would serve in the Armed Forces for 15 years, would perhaps reach the rank of captain, and then would be eligible for retirement. They would be in the reserves and would be called up when necessary.

[Yanakiew] What would be the advantages of this type of system?

[Camilion] It would bring many advantages to the Armed Forces. We would have trained men, if necessary; and we would not have to shoulder the high cost of maintaining a huge military structure in time of peace. The "part life" military would have the advantage of receiving training for a job they can perform as civilians and would have a source of income. For instance, a pilot trained by the Air Force could work as a civilian pilot after serving for 15 years in the Air Force. Furthermore, the military will have to have a private retirement system like any other Argentine citizen.

[Yanakiew] Have the privatizations implemented in the military sector yielded good results? Are there plans for further privatizations in the future?

[Camilion] We have already privatized some land. The Army was the largest land owner in the country. It needed vast plots of land for training exercises. If you have a cannon with a 30-km firing range, you would need a large area to engage in target practice with such a weapon. Now the reality is different. The military are increasingly into automation, and having access to advanced technology. Through the sale of land, we may have raised approximately $50 million. If we take into account the sale of Defense Ministry-owned petrochemical companies, we must have raised around $1 billion in recent years. These proceeds have been invested in the area of defense. Now we want to privatize those factories that are manufacturing weapons and ammunition, but we must first ensure that these products continue to be manufactured in Argentina and that the supply of materiel to the Armed Forces will not be interrupted.

[Yanakiew] Whenever it can, Argentina has sent its servicemen abroad: Argentine soldiers participated in

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the Gulf War and Argentine blue helmets have also gone to the former Yugoslavia. Why?

[Camilion] I am deeply convinced that these international missions are changing the views of the Argentine servicemen. When they return home, they come with a broader view of the world, they are exposed to modern technology, and they learn to work as a team with soldiers from other countries. It is expensive to train men. If they can acquire experience by having access to the most advanced technology in terms of weapons, the better for them.

Bolivia

Bolivia: President on Attempt To Yield Territory to Chile

PY2302001796 Madrid EFE in Spanish 0032 GMT 22 Feb 96

[FBIS Translated Text] Cochabamba (Bolivia), 21 Feb (EFE) — Bolivian President Gonzalo Sanchez de Lozada today accused former de facto President Hugo Banzer Suarez, the leader of the opposition National Democratic Action (ADN) party, of having attempted to surrender part of the Bolivian territory to Chile during his de facto regime.

Banzer ruled Bolivia between August 1971 and July 1978 and, between 1989 and 1993, his party was the pillar of a coalition that succeeded in getting Jaime Paz Zamora elected president. Nevertheless, Banzer did not hold any official post.

Thus, the Bolivian president responded to remarks made by the ADN leader, who complained that the executive branch is surrendering the railroad company to Chilean companies.

Upon beginning the capitalization proceedings of the National Railway Enterprise (ENFE), Sanchez de Lozada emphasized: "I am surprised over such a remark by a gentleman who wanted to surrender part of Bolivia to Chile. I believe he knows that all this is part of early electoral campaigns."

Sanchez de Lozada noted that the government did what was right in partially privatizing ENFE. He accused the opposition parties and candidates of "considering the next election rather than the next generation."

Bolivia: Brazil's Foreign Minister Arrives on 3-Day Visit

PY2202153896 Madrid EFE in Spanish 0252 GMT 22 Feb 96

[FBIS Translated Text] La Paz, 21 Feb (EFE) — Brazilian Foreign Minister Luiz Felipe Lampreia arrived in La Paz today, on an official three-day visit. During his visit, he will assess a bilateral agreement on Bolivian natural gas sales to Brazil.

Lampreia, along with his wife, Lenir, and other Brazilian Government officials, arrived at 2118 local time (1718 GMT) today at the La Paz airport aboard a Brazilian Air Force plane.

The Brazilian foreign minister will meet his Bolivian counterpart, Antonio Aranibar, and government officials responsible for a project to build a 2,000-km gas pipeline linking Santa Cruz (Bolivia) with Sao Paulo (Brazil).

Energy Secretary Mauricio Gonzalez has confirmed that Lampreia will chair a meeting to assess the implementation of an agreement on Bolivian natural gas sales that was signed in mid-1995.

Luiz Felipe Lampreia has been scheduled to begin [the official activities of] his visit on 22 February, meeting Foreign Minister Aranibar and, subsequently, Bolivian Vice President Victor Hugo Cardenas.

During his visit to La Paz, the Brazilian foreign minister and Antonio Aranibar will sign an extension of the cultural agreement existing between the two countries.

Brazil

Brazil: Sarney Criticizes Cardoso's Remarks on Congress

PY2302023896 Sao Paulo AGENCIA ESTADO in Portuguese 2336 GMT 22 Feb 96

[FBIS Translated Text] Brasilia, 22 Feb (AE) — Senator Jose Sarney (PMDB-AP) [Brazilian Democratic Movement Party-Amapa], president of the Brazilian Congress, today again criticized President Fernando Henrique Cardoso for his remarks in Mexico, describing Brazilian congressmen as lobbyists. On leaving the Senate floor, Sarney said: "As the president of the Republic raised doubts about, and linked the functioning of the Congress to biased interests, he was projecting a bad image of our country." Later, he softened his criticism by saying: "I am certain that that would have never been his intent." Sarney described Cardoso's remarks as "inappropriate."

In his opinion, although the subjet merits a comprehensive discussion, the fact that it was raised outside the country during an official mission has hurt Brazil's image. He said: "As president of the Congress, it is my duty to express the position of the institution. This is my duty. It is not my duty to defend each individual congressmen, but Congress as a fundamental institution for the democratic process."

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Sarney conveyed his concern about the disadvantageos position of the Congress in relation to the busy traveling agenda carried by the president of the Republic and called for Planalto Palace's cooperation in reversing the situation. Sarney added: "The president has a comprehensive notion of his duties and, during his trips, he has steadily tried to improve Brazil's image and he has done it competently."

Brazil: Cardoso To Mediate Mexican Plan for Mercosur

PY2202222496 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Feb 96 section 1 p 5

[FBIS Translated Text] President Fernando Henrique Cardoso on 20 February said that he supports and that he will mediate Mexico's proposal to sign an agreement with the member countries of the Mercosur [Common Market of the South]. He promised to regard the Mexican proposal with "much affection."

Cardoso made that commentary during the breakfast with 250 Mexican businessmen. The president recognized that it is not an easy subject to be resolved, especially on account of Mexico's participation in NAFTA.

NAFTA is the free trade agreement between Mexico, the United States, and Canada.

Presidential aides believe that the Mexicans have become some kind of hostage to NAFTA. Hence the interest in Mercosur.

During a meeting that took place the day before yesterday between Cardoso and Mexican President Ernesto Zedillo the Mexican government proposed an agreement with the Mercosur. Mexico wants to reduce import tariffs among the country members and the liberation of investments in the field of services.

Mexico had doubts regarding its approximation to the Mercosur. Some Mexican government sectors would like to reach a free trade bilateral agreement only with Brazil. Some Mexican businessmen also liked this formula.

But the Brazilian government has already warned that the negotiation has to be done directly with the Mercosur. Zedillo understood the message.

When Cardoso arrived, Zedillo spoke about a "strategic alliance" with Brazil. Afterward, he extended the proposal to the Mercosur. Diplomats from the two countries prepared a joint message yesterday night. However, they disagreed on its terms. Brazil did not want to include the expression "strategic alliance" which was considered as worn out by its military connotation.

During a speech to Mexican businessmen, Cardoso said that there was still no special formula to the Mexico-Mercosur agreement.

"There are normal problems and difficulties. However, this does not mean that we cannot talk," he said. "The process points toward that direction."

The president recalled that until recently Mercosur intended to implement the system known as "four plus one," by which the four Mercosur countries would reach a direct agreement with NAFTA.

"Now there are political problems in the United States, difficulties there and here. That is normal," he said. "An approximation with Mexico can take place. We have a large population, a strong market. Why shouldn't we be together?" the president added.

"I can guarantee one thing. Everything that comes from Mexico will be faced by Brazil with a lot of optimism and a favorable attitude. The rest is a practical matter," he said.

"They are practical matters that we must attend to (in the agreement) on how it must be done," he said. "However, I am convinced that we will accomplish much more together" he said.

Cardoso again said that he will take the Mexican proposal to the Mercosur partners. "We must talk with the Argentines, Uruguayans, and Paraguayans and see how to do things appropriately," he said.

"There is this trade problem between Mexico and the United States and Canada. It is not a matter that can be resolved immediately in a simple manner," he said. "But I am convinced that with good-will and competence we will resolve it," he added.

Mexico's proposal includes the following points: the reduction of customs tariffs; the liberation of service activities, the establishment of investment norms, besides protection rules for intellectual property.

As he left, Cardoso denied that he intends to reshuffle his cabinet. "I am not even thinking about it. You are the ones who speculate about it," he told reporters.

Brazil: Foreign Minister on Mexican Trade Proposal

PY2202134996 Rio de Janeiro Rede Globo Television in Portuguese 1000 GMT 22 Feb 96

[Interview with Brazilian Foreign Minister Luiz Felipe Lampreia by reporter Marcelo Canelas in Mexico, for the "Good Morning, Brazil" newscast; date not given]

[FBIS Translated Text] [Lampreia] Our current trade exchange with Mexico is relatively small. For example,

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our bilateral trade with Uruguay and Paraguay, which are far smaller economies, is larger than that with Mexico. Why? First, because Mexico is closer to the economic influence of the United States and Canada, that is, the NAFTA. Now, as a very specific event of this trip, we see that once President Fernando Henrique Cardoso arrived here, he received from Mexico a proposal to create a significant alternative to the NAFTA, that is, an alternative to build with the Mercosur [Common Market of the South] a relationship as solid or as ambitious as that with the NAFTA.

[Canelas] Mexico is even proposing inclusion of the services sector, which is currently not foreseen by the Mercosur. What is the outlook in this regard?

[Lampreia] Look, we still do not have details. Today I had lunch with the Mexican minister and I asked him for the proposal so that, first, we can analyze it internally and, second, to discuss it with our Mercosur partners. I asked him for a more detailed and clearer proposal of what Mexico wants in the different fields.

However, according to our first evaluation of the initial proposal they made to us, Mexico intends to go forward in several fields that are not yet in effect in the Mercosur, such as, for example, services, intellectual property rights, and other areas.

[Canelas] Will Brazil increase its imports from Mexico?

[Lampreia] I believe so. The fact is that following the great devaluation of the Mexican peso, Mexican goods became much more competitive. Mexico practically quadrupled its exports to Brazil last year in comparison with 1994. The other aspect of this is that Brazilian exports to Mexico dropped by half because it has become very expensive for the Mexicans to import our goods and because the level of economic activity in Mexico diminished considerably, as did, consequently, the demand for imports.

The challenge now is to reverse this trend, not in the sense of returning to having a great trade balance surplus, but in the sense of expanding flows both ways.

[Canelas] How will Brazil deal with this Mexican proposal vis-a-vis our Mercosur partners, Argentina, Paraguay, and Uruguay?

[Lampreia] We will present it to them. This is something I intend to do as quickly as possible. I will phone my colleagues and friends from the Mercosur to inform them of this Mexican proposal. Obviously it is not our intention to act as owners of the Mercosur, much less to impose on our partners something they perhaps do not want. It is necessary for this Mexican proposal to be discussed, reflected upon, and pondered among the four members of the Mercosur.

Brazil: Mexican Daily Interviews Cardoso on Economy

PY1702013096 Sao Paulo AGENCIA ESTADO in Portuguese 2055 GMT 15 Feb 96

[Report by correspondent Paulo Sotero]

[FBIS Translated Text] Mexico City, 15 Feb (AE) — If any doubt remained about Brazilian President Fernando Henrique Cardoso's conviction as a social democrat or about his being allergic to the label of neoliberal, he dispelled these doubts in an interview with the Mexican newspaper REFORMA. During carnival, Cardoso will be visiting Mexico, where the most widely publicized neoliberal experiment in Latin America failed and provoked a crisis that is yet to be resolved.

Responding to journalist Rossana Fuentes-Berain, Cardoso said: "Although markets and market analysts perform a certain role, I do not believe one should believe every word they say." The interview covered half a page of the 15 February issue of REFORMA. Cardoso touched on a painful subject for the Mexicans. Market analysts and operators were the ones who helped the authoritarian adminstration of Carlos Salinas de Gortari — who has been forced into exile in disgrace — create the illusion that Mexico would join the First World by financing the deficit in its balance of payments with short-term foreign capital pegged to the dollar.

By stating that "analysts are always making mistakes here and abroad," Cardoso extended his criticism to the IMF economists, who had predicted that the Mexican reforms would succeed, but who did not endorse the successful stabilization plan he had set in motion as finance minister of the Itamar Franco administration. He said: "I believe that the best example of this assertion is the fact that the IMF did not support the Real Plan because they claimed that it did not meet the technical requirements for IMF approval (...) The IMF believed that the plan was not the way to go for us; that there was another way."

Cardoso said: "The Mexican crisis came later, which did not mean that every analysis about Mexico was wrong or that few things were done well in Mexico." He then reaffirmed his confidence in Mexico's recovery. He said: "I have great confidence in Mexico's recovery, although analysts at the time of the crisis concluded that Mexico was out of the game. It is not." He also stated that the opinions of market analysts ought to be taken "with a grain of salt."

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Commenting on the Brazilian economic situation, Cardoso said that his major concern rests with the domestic savings rate, which at one point slid downward to 13 percent of the GDP, but now has climbed back upward to 18 percent. He wants it to stand at 20 or 22 percent of the GDP.

He also discussed social injustice: namely, racism, a problem that affects both Brazil and Mexico. He said: "Racial discrimination is legally unacceptable, but one cannot deny that there is racial prejudice in Brazil." As an example, Cardoso mentioned that the number of blacks in Congress and in universities is not proportional to the Brazilian black population.

Cardoso added: "Racism has always been disguised behind the following excuse: We have this problem because we are poor." This may be true in part, but the president believes that a major cause of poverty is the lack of access to education. Cardoso told REFORMA that educational programs are high on the agenda of priorities of his administration in the social area. He said that a major change in this area has been that of putting an end to political patronage in distributing significant assets for education, such as school snacks and textbooks.

President Cardoso and his wife Ruth Cardoso, Foreign Minister Luiz Felipe Lampreia, and Culture Minister Francisco Weffort are scheduled to arrive in Mexico City on 18 February. They will return to Brasilia on 20 February.

Brazil: Congressmen View Cardoso Statements in Mexico

PY2202174596 Sao Paulo AGENCIA ESTADO in Portuguese 2133 GMT 21 Feb 96

[Report by Christiane Samarco]

[FBIS Translated Text] Brasilia, 21 Feb (AE) — President Fernando Henrique Cardoso's remarks criticizing, during his official visit to Mexico, "lobbying" activities in the Brazilian Congress have provoked concern among his allies and irritation among his opponents. Addressing members of the Mexican Congress on 20 February, Cardoso said that "unity in the Brazilian Chamber of Deputies is based on interests rather than on values," and noted that congressmen "cannot become lobbyists."

Responding to the president, Deputy Jose Genoino (PT-SP) [Workers Party-Sao Paulo] said: "The president made two errors: First, he should have washed the dirty linen at home; second, he should not have lumped us all under the same category in criticizing political parties." Deputy Michel Temer, leader of the PMDB [Brazilian Democratic Movement Party] in the Chamber of Deputies, said: "Whenever the president returns from a foreign trip, he always finds himself having to put out fires that he could have avoided in the first place." Deputy Benito Gama (PFL-BA) [Liberal Front Party-Bahia], government deputy leader in the Chamber of Deputies, said: "There are specific interests such as those advocated by the rural bloc, but political parties, not the blocs, are in control of Congress." Deputy Mendonca Filho (PFL-PE) [Pernambuco] said: "Generalized remarks like this always provoke uneasiness, which is not good at this difficult time for the reforms."

Deputy Yeda Crusius, who was with Cardoso when he made the remarks to the Mexican congressmen, denied that the president had criticized the Brazilian Congress, but ultimately confirmed the reports carried by the press. Crusius argued that "the word 'lobby' was used within a broader context or framework of reasoning." Arnaldo Madeira of the Brazilian Social Democracy Party (SP) [Sao Paulo] also believes that the president neither criticized nor attacked the Brazilian Congress. Madeira said: "He simply reasoned as a social scientist. He added that political splintering and the strong corporatism prevailing in Congress is no longer news to anyone. He said: "The problem is that the truth hurts."

PT Deputy Paulo Bernardo (PR) [Parana] said: "I admit that he is right to a certain extent: Instead of a bloc of sugar producers, there should be a bloc of the citizenship." He noted, however, that the president's remarks were not welcomed. He said: "I believe it signals ill will, impatience, and animosity by a chief executive who seeks to control Congress." Genoino said: "I concur with his criticism, but disagree with him for choosing that venue to vent it, and for not clearly selecting his target because he touched on ideological positions endorsed even by members of his congressional base."

Temer took the president's remarks more as food for thought than as a criticism. Temer said: "Until political parties are strengthened, it would be natural for groups defending vested interests to appear." Nevertheless, Temer is afraid of the political consequences the president's remarks could have. "As negotiations involving the constitutional reforms are under way, he would have given an excuse to those who are looking for ways to create frictions with the administration." Madeira said: "I do not believe the president's remarks will create frictions with congressmen, but if that happens, I believe it would be a minor thing that would be easily resolved."

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Brazil: PRC Plans To Plant Grains in Brazilian Bush Land

PY2002005896 Sao Paulo GAZETA MERCANTIL in Portuguese 12 Feb 96 p B20

[Article by Rodrigo Mesquita and Doca de Oliveira in Brasilia]

[FBIS Translated Text] The PRC wants to purchase a soybean processing unit in Brazil with the capacity to process 50,000 tonnes of soybeans per year. These plans have been reported by Chinese Deputy Agriculture Minister Wu Yixia, who signed bilateral accords in Brasilia last week.

The Chinese have put the Brazilian Agriculture and Livestock Research Enterprise [Embrapa] in charge of looking for a Brazilian supplier for this unit. "Despite the opening of its economy, the PRC is still essentially a country with a state-controlled economy. It is very important for them to receive a government endorsement for all operations," Embrapa President Alberto Portugal told this newspaper. Portugal also explained the reason for his company's mediation in the transaction; he will contact the Brazilian Association of Vegetable Oil Industries to select candidates.

Embrapa will also transfer technology that it has developed to the PRC. It was decided during Wu Yixia's visit that the enterprise will grant franchises to manufacturers interested in the production of fruit and fish dehydration machines, which will be sold to the Chinese Government. Portugal revealed that Brazilian and Chinese manufacturers can be granted franchises.

The dehydration technology has been developed for use in production by small communities, which is particularly interesting for the Chinese. The country has 200 million hectares of farmland and 100 million farmers. This represents an average of 2 hectares per farmer.

Wu Yixia and Agriculture Minister Jose Eduardo de Andrade Vieira have signed an accord on animal and plant health control that will facilitate bilateral trade in perishable produce.

The PRC delegation visited agricultural areas in the states of Mato Grosso do Sul, Pernambuco, Parana, and the bush region. The Embrapa president reported that the Chinese Government is seriously considering the possibility of creating an enterprise to plant grains in Brazil, particularly soybean. This investment could also include the production of corn, sugarcane, and fruits, Portugal reported. The objective would be to export all production to the PRC, which has been facing a problem with decreasing farmland and needs alternative solutions to feed its population of almost 1.1 billion people.

Embrapa is negotiating with the PRC on the exchange of technology. "The Chinese are in a stage similar to ours with regard to agricultural production," Portugal explained. Brazil is interested in new rice and soybean species, as well as some fruits (like litchi). Brazil is also interested in raising pigs, and the PRC produces more pigs and consumes more pork than any other country in the world. Portugal added that Brazil is interested in progress made in the biotechnology area as well.

Brazil: Congress Votes on Budget With Deficit

PY2102174796 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Feb 96 p A6

[Article by Ribamar Oliveira]

[FBIS Translated Text] Brasilia — Deputy Ibere Ferreira (PFL-RN) [Liberal Front Party-Rio Grande do Norte], rapporteur general of the Congressional Joint Budget Committee, reported on 13 February that he will keep in this year's budget proposal expenditures totaling 8.3 billion reals [R] without the equivalent revenues. From a strictly technical point of view, this is the first time the budget will be voted on and approved on the floor of Congress with entirely fictitious bases and with a deficit, because expenditures will exceed revenues.

The R8.3 billion refers to the so-called "conditioned expenditures," which the government included in the proposal although they depend on the approval by the Congress of measures that would increase the revenue. The government, however, did not succeed in securing congressional approval of the contribution of retired public employees to the Social Security Ministry or the Temporary Contribution on Financial Operations (CPMF). In the case of contributions to be paid to the social security system by the autonomous workers, quotas have been reduced from 20 percent to 15 percent. If these three contributions are not approved according to the proposed terms, R8.3 billion will fail to enter the Treasury and social security system coffers in 1996.

The most logical thing would be to cut expenditures by the same proportion, but Deputy Ferreira will not cut any of them. He will not cut the expenditures that would be financed by the contributions of the retired public employees, although this proposal has already been rejected by Congress, or the R600 million that the government has lost with the reduction from 20 to 15 percent of the quota to be paid as the autonomous workers' contribution. "The executive branch will be responsible for implementing cutbacks in the conditioned expenditures," the rapporteur said on 13 February. He added: "The problem was created by the government; now it is up to the government to solve it."

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Although he believes it is "strange" to approve a budget with expenses that surpass the revenue, Deputy Ferreira said there is a legal basis for that. "The Budget Guidelines Law determines that if the estimated revenue does not become a reality, it is up to the executive branch to eliminate the expenditures through a presidential decree," he said.

Brazil: Breakdown of Government Jobs Per Party Viewed

PY2102175896 Rio de Janeiro O GLOBO in Portuguese 18 Feb 96 p 3

[Report by Jorge Bastos Moreno]

[FBIS Translated Text] Brasilia — There is a practical reason for the PMDB [Brazilian Democratic Movement Party] to avoid breaking with the government and, in particular, to avoid assuming a position of independence with respect to it: jobs. This practical reason is much stronger than the demands of PMDB President Paes de Andrade (CE) [Ceara] for doing the opposite. Of the 550 federal positions the administration of President Fernando Henrique Cardoso has delivered thus far — in a one-by-one process — 32.5 percent are in the hands of members of the PMDB, a party that became an ally to the president only at the end of the race. According to a survey made by GLOBO with the help of government leaders, next on the list is the PFL [Liberal Front Party], the pioneer of the electoral alliance that took Fernando Henrique Cardoso to power. Fourth on the list is the president's own party, the PSDB [Brazilian Social Democracy Party].

Government jobs include, among others, second- and third-level positions in ministries, especially in the states, such as delegates of the ministries of education and agriculture, INSS [National Social Security Institute] and INCRA [National Land Reform and Settlement Institute] directors, and Conab [National Supply Company] superintendents. The 550 positions include the directorship of state telephone companies, the so-called "teles," which have the most eagerly sought jobs.

Despite the fact that it did not join the electoral alliance, if for no other reason because it had an official candidate — Orestes Quercia — the PMDB today has the largest bloc of government lawmakers: 97 deputies and 24 senators, that is, 121 lawmakers. This is equivalent to 25.7 percent of lawmakers, barely 0.2 percent above the PFL bloc.

The survey revealed the following breakdown of the 550 government jobs: the PMDB, with 121 lawmakers (25.7 percent), has 179 jobs (32.5 percent). The PFL, with a bloc almost as large, with 120 lawmakers (25.5 percent), has 134 jobs (24.4 percent). The recently created PPB [Brazilian Progressive Party], with 93 lawmakers (19.7 percent), should also be satisfied. Even though no PPB member has been given a portfolio, the party has 89 second- and third-level jobs (16.1 percent). The PSDB, which has 97 lawmakers (20.6 percent), and which has the majority of ministerial positions, has 85 other federal jobs (15.4 percent). The PTB [Brazilian Labor Party], with 33 lawmakers (7 percent), has 38 jobs (7 percent). Other parties (PSC [Social Christian Party], PL [Liberal Party], PSD [Democratic Social Party], and other opposition parties) were given 25 jobs.

A recent survey shows that the PFL and the PTB, both of which joined in a congressional bloc, have more frequently joined their votes in favor of the government, with a few dissidents. Despite the jobs it has, the PMDB had the largest number of dissidents, especially in the vote on the easing of monopolies.

Nominations for the jobs are made by the coordinators of state blocs. Some of them, of the PMDB, have tried to justify the fact that their party has the largest number of jobs by claiming that in many states, in which the PMDB elected the governor, the number of party nominations equals the nominations that other parties of the alliance made in larger states they are governing. They also claim that in many cases, President Fernando Henrique Cardoso has only confirmed the designations made during the Itamar Franco government. President Cardoso repeatedly told politicians that his government was a sort of continuation of the previous government, in order to prevent a high demand for jobs at the start of his term.

Nominations for portfolios in the states, made by the federal blocs of parties in each state, were gradually authorized as of the end of the first half of 1995. For most designations in the states, Planalto Palace demanded agreement among the allied parties.

In some states like Parana, the deputies met and divided among themselves the majority of low-level jobs, like those of superintendents of INCRA and of the Agriculture Ministry. The most coveted jobs, however, were filled through a different process, which was monitored by the president himself.

Brazil: Government To Lower Interest Rates

PY2102153396 Sao Paulo GAZETA MERCANTIL in Portuguese 12 Feb 96 p A4

[Report by Alexandre Pinheiro and Leandra Peres in Brasilia]

[FBIS Translated Text] The federal administration is planning to use the reduction of interest rates as one of its main instruments to reduce the public deficit in

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1996. Members of Finance Minister Pedro Malan's team are seeking to reduce the operational deficit (revenues minus expenses, including interest payments) by nearly one percentage point of the GDP. Interest rates would have to stand at around 15 percent (annually) in 1996.

In 1995, when annual interest rates stood at 32 percent, the public sector sustained an operational deficit equivalent to 3.8 percent of the GDP. Although the official goal is to reduce the public deficit to zero, the administration is already working with figures projecting a negative operational result varying from 1.3 to 1.8 percent of the GDP. In remarks to GAZETA, a Malan aide said: "If we manage to keep the deficit at 2-2.5 percent of the GDP, it would be a major achievement."

The Finance Ministry team is seeking to obtain a better result in 1996 than that obtained in 1995 within the federal administration. The aide said: "Despite the negative result obtained in January, which was in part provoked by the drop in revenues, the National Treasury accounts are expected to improve."

The federal administration hopes to reduce spending by reducing interest rates alone. Experts estimate that, as a result of the drop in interest rates, it will be possible to obtain savings of up to one-third in the expenses involved in the rescheduling of the domestic debt.

A reduction in expenses on interest payments will also benefit state and municipal administrations, and state-owned companies. By converting domstic debts into foreign debts through the adjustment program proposed by the federal administration, the states will be able to make even deeper cuts in their expenses. Nevertheless, the federal administration continues to put a question mark by state and municipal administrations. The aide said: "We have had states that closed 1995 with a primary deficit of 0.5 percent of the GDP."

Regarding the primary deficit (revenues minus expenses, excluding interest payments), it is estimated that state and municipal administrations will obtain a positive rate of 0.5 percent of the GDP. The economist said: "We are going to make adjustments by cutting expenses and streamlining the administrative apparatus."

He acknowledged, however, that it is still early to evaluate the extent to which the states will be able to comply with the goals suggested by the federal administration. There are also doubts about the possibility of implementing the administrative reform this year. The federal administration is expected to obtain a primary surplus of between 1.5 and 1.8 percent of the GDP.

Another cause of concern for the administation is the behavior of social security throughout the year. The source said: "We seek to close 1996 with balanced figures, but we do not know what could happen if benefits are adjusted by around 20 percent." Social security officials believe, however, that any increase in social security benefits will provoke a deficit in public accounts.

Malan's team is not concerned about the situation of state-owned companies, despite the operational deficit they experienced in 1995. The aide added: "The privatization process will transfer part of the debt of the public sector to the private sector." This idea is gaining more strength in relation to companies owned by state administrations because governors are now committed to starting privatization processes.

Brazil: Revenue Office Probes Senator's Enterprises

PY1702025096 Sao Paulo VEJA in Portuguese 14 Feb 96 pp 18, 20

[Article by Monica Bergamo]

[FBIS Translated Excerpt] In November 1995, when he proposed canceling the contract for the Sivam [Amazon Region Surveillance System], the $1.4-billion radar project for the Amazon Region, Senator Gilberto Miranda (PMDB-AM) [Brazilian Democratic Movement Party-Amazonas] reported to VEJA: "I know many things; I know more than Pedro Collor. I know who gave what to whom in the presidential campaign." Last week, President Fernando Henrique Cardoso sent a letter to Congress taking political responsibility for the Sivam project. The following day, Senator Ramez Tebet (PMDB), who is the rapporteur of the committee that has been investigating possible irregularities in the project for two months, presented his report, which was favorable to the Sivam project. In the text, gushing with praise, Tebet defined the investment as "an essential tool for the construction of our future." In his office, talkative Gilberto Miranda became speechless. "I am through with this Sivam business. I want to put a stop to this soap opera show," he said. What can have happened to make Miranda, who deemed Sivam absurd, give up the idea of defeating it on the Senate floor?

What happened is that the Federal Reveue has been ordered to investigate Miranda's enterprises. There are five Revenue Office inspectors who, in Sao Paulo and the Manaus Free-Tax Zone, started investigating assets which are estimated at millions and millions of dollars. The first investigations showed that the senator has almost nothing in his name and that he pays income taxes only on the 8,500-real salary he receives as a senator. His Learjet-35 plane, for example, is in the name of the Baungaville Participations enterprise. Cabras Island, across from the Sao Paulo northern coast, is in the name of his holding, Humana. It is the Federal

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Revenue's duty to investigate all citizens whose visible assets do not coincide with their sources of income, or who have become rich overnight. Both situations fit in Gilberto Miranda's case.

The 49-year-old Amazonas State senator is a former swimming teacher who became a millionaire after associating with large enterprises in exchange for the facility of obtaining, with friends, authorization for them to install their facilities in the Manaus Free Trade Zone. Miranda's wealth can be seen as proof that Brazil is a land of opportunities for the champions of free initiative. The Revenue Office, however, suspects that this wealth may prove something else. The only odd thing is that the Revenue Office is investigating Miranda exactly when the Sivam project is being debated in the Senate. The Revenue Office had many other opportunities to investigate Miranda. After all, the senator became that rich 20 years ago and has been appearing in the gossip columns for a decade. In addition, the Revenue Office did not even find it strange when Miranda opened the strings of his purse last year to buy the Rolls-Royce that belonged to Carmen Mayrink Veiga [famous Rio de Janeiro socialite]. Only now, a few days before the Sivam project goes into final voting in the Senate, which will probably occur in March, does the Revenue Office decide to investigate Miranda.

Senator Roberto Requiao, former Parana governor, said: "We are facing a gang, not an administration." PMDB leader Senator Jader Barbalho added: "Not even the military dictatorship dared to use that sort of instrument." Senate President Jose Sarney said in a private conversation: "The Federal Revenue Office should not mingle with politics. They represent two different areas. Politics is politics; business is business." Now that the Revenue Office is after him, Senator Gilberto Miranda has replaced his habit of shouting before the spotlights for talks in his office. When he was received at Planalto Palace on 1 February, Miranda complained to President Cardoso about this investigation. "This is a technical problem; it will not have a political solution," the president assured him.

Miranda has also complained to Sarney, who is his best friend in the Senate. Sarney phoned Vice President Marco Maciel, who is Revenue Secretary Everardo Maciel's cousin. A little dramatic that day, Sarney said: "Miranda is feeling hurt with regard to his human rights." Maciel phoned Everardo Maciel, asking: "Is anything going on? The senators are complaining." Everardo Maciel answered: "It is a routine operation." Miranda has also sent messages on the issue to government leader Luiz Carlos Santos (PMDB) and Finance Minister Pedro Malan. After listening to Miranda's complaints, Malan contacted Everardo Maciel, who is his subordinate, and recommended: "Take it easy." [passage omitted]

Brazil: Aeronautics Ministry Work on Sivam Said Delayed

PY1702020796 Rio de Janeiro O GLOBO in Portuguese 16 Feb 96 p 5

[Article by Rodrigo Franca Taves and Cristiane Jungblut]

[FBIS Translated Excerpt] Brasilia — Euphoric about the approval of the Amazon Region Surveillance System [Sivam] project in the Senate super committee, the Aeronautics Ministry has already decided that it will begin to prepare biddings to choose the companies to conduct the civil part of the project as soon as the senators approve the contract signed with Raytheon on the Senate floor, which is deemed certain to occur. The brigadiers believe that implementation of the project has already taken too long, and that, given the need for installation of the radars, it will still take from three to four years before the project is ready to start functioning.

Biddings for the civil construction works had not been contemplated in the original project nor in the six Senate resolutions for the Sivam. If it depended on the Aeronautics Ministry, the construction companies would be directly chosen by the Sivam Coordinating Committee (CCSivam). The Sivam rapporteur, Senator Ramez Tebet (PMDB-MS) [Brazilian Democratic Movement Party-Mato Grosso do Sul], decided to include the clause on mandatory bidding in his final report that was voted on by the super committee. Aeronautics Minister Lelio Lobo agreed on the inclusion of this clause.

The civil works — construction of bases for the installation of radars as well as the operational infrastructure — will cost an estimated 110 million reals [R]. This represents less than one-tenth of the overall cost of the project. The construction enterprises, however, will have to be hired in accordance with the Biddings Law. This will imply the establishment of periods for the purchase of the bidding announcements, for the drafting of technical and price proposals and, after the winning company is chosen, for appealing the choice. Nevertheless, Minister Lobo and his advisers were not complaining on 15 February about the time that will be lost in complying with these periods.

As the contract with the Eximbank is already in force and has been renewed by the government twice while the Sivam project was being discussed in the Senate, the administration will be able to use the R1.4 billion financing as soon as the project is voted on on the Senate floor. The voting is scheduled for the end of February or the beginning of March. [passage omitted]

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Brazil: Embratel Planning To Launch Fourth Satellite

PY2102144996 Sao Paulo GAZETA MERCANTIL in Portuguese 16 Feb 96 p C5

[Report by Heloisa Magalhaes]

[FBIS Translated Text] Embratel [Brazilian Telecommunications Company] is already studying the launching of a fourth Brazilian telecommunications satellite. The contract for the third Embratel satellite was announced in December. However, despite the fact that the launching was scheduled for the period between December 1997 and March 1998, the enterprise already has a long list of clients who are interested in hiring the services of the new satellite. The clients are enterprises that are building or expanding their data and television transmission networks, and state governments that are building television networks for educational purposes.

In light of the demand, Embratel has also contacted the Argentine group Nahuelsat, which is planning to launch the Nahuel, its first satellite, in September 1996. The satellite will cover Latin America and will operate on the Ku band. Embratel's strategy is to negotiate the Ku band offer of the Nahuel satellite in Brazil. In exchange for this, Embratel might offer the C band in neighboring countries. The Nahuelsat group, which is comprised of Germany's Deutsche Aerospace and Argentine enterprises, is planning to invest $240 million.

Embratel has pointed out that from a legal viewpoint, contracting a fourth satellite through the same tender would not break the law. The tender established contracts for up to five satellites. Yet there were reactions in the sector when President Fernando Henrique Cardoso announced in December the contract for the B3 satellite, especially because of the private sector's growing interest in it.

In order to avoid breaking tender regulations, the new Embratel satellite shoud have the same features as previous satellites — the B1, launched in August 1994, and the B2, launched in March 1995. For this reason, it will operate only on the C band, and will not offer the coveted Ku band, the frequency that is currently used for cable television services all over the world. This is the frequency that the Globo group intends to use through the Intelsat consortium, which was scheduled to launch the satellite to supply this service through the Chinese Long March enterprise. The rocket, however, had problems, and it was therefore necessary to destroy the satellite.

Embratel has reported that the decision to launch a fourth satellite aims at meeting the current demand and guaranteeing a competitive service for the operating enterprise, because the sector might be opened to private enterprises in 1996.

Investment in the B4 satellite is expected to reach $150 million, including the satellite, insurance, and launching, among other expenses. Embratel has even considered the possibility of giving the B4 the capacity to serve the Latin American market. This will increase the satellite cost by $50 million.

There are countless foreign services, like PanAmSat and Galaxy (of Hughes), which are trying to directly operate in the Brazilian market, despite the fact that Congress is studying a bill welcoming foreign services but in partnership with local groups.

Brazil: Satellite Blast Not To Affect DTH TV System

PY1602175796 Sao Paulo AGENCIA ESTADO in Portuguese 1719 GMT 15 Feb 96

[Report by Milton F. da Rocha Filho]

[FBIS Translated Excerpt] Sao Paulo, 15 Feb (AE) — Cable TV operator Netsat today reported that a French Ariannespace rocket is scheduled to take the Intelsat 707 satellite into orbit on 2 March. As of April, it will retransmit to Netsat the signals of 70 stations. Netsat stated that the explosion on 14 February in China of a rocket carrying the 708 satellite will not jeopardize the operation of the new DTH (Direct To Home) service on the Ku-band, which will use 60-mm diameter antennas.

NetSat is a long-standing customer of Intelsat, which is responsible for the satellites. Intelsat offered Netsat use of the 708 satellite, which later exploded after being launched by the Chinese Long March 313 rocket. Yet, the satellite to be used by NetSat will not be launched until 2 March. [passage omitted]

Netsat will start its new DTH service in March. Subscribers will have access to the pay-per-view system, which would allow them to watch new programs and films, which will not be available on regular cable channels. Payment for this new service will be made monthly. [passage omitted]

Brazil: INPE Expects Government Help To Keep Scientists

PY1902181996 Sao Paulo AGENCIA ESTADO in Portuguese 1945 GMT 15 Feb 96

[By Julio Ottoboni]

[FBIS Translated Text] Sao Jose dos Campos, 15 Feb (AE) — Marcio Nogueira Barbosa, director general of

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the National Institute of Space Research (INPE), expects to receive government support to prevent the loss of its personnel. On 13 February he met with Science and Technology Minister Israel Vargas in Brasilia to discuss actions for overcoming the crisis. One of the measures that was considered is the hiring of foreign scientists within the short term.

The INPE director is studying the possibility of keeping its personnel with Ph.D. and master's degrees at work, especially those in key posts. According to Barbosa, the institute is particularly concerned about the case of professionals retiring early. One of the solutions consists of the scholarships granted by the CNPq [National Research Council], as a supplement to the salary. "It will obviously not benefit all professionals; we will adopt criteria for the selection," the director said.

The bureaucracy of public contests is one of the major problems. A candidate who participates in a contest has to wait at least one year to be called by INPE to fill the post. This period is sufficient for the new Ph.D.'s to find other jobs with better salaries. One of the solutions, Barbosa said, could be the approval by Congress of a bill giving independence to universities and scientific groups for hiring foreign researchers.

With that condition, Brazil might import, in particular, Russian Ph.D.'s whose functions disappeared with the end of the "Cold War" and of the USSR. Their salaries are low, and they are equivalent to those paid by INPE. Some Brazilian research organs have already engaged in this experience. "Yet we want to keep local scientists at work," Barbosa added.

Another topic that INPE hopes to resolve with the government is that of salary distortion. A Ph.D. hired by a university earns 30 percent more than a colleague working at INPE. A good number of scientists who retired early went to those schools, abandoning major projects. "Such distortions must come to an end. We have a very serious human resource problem," the INPE director said.

Barbosa believes that through his contacts with Administration Minister Luiz Bresser Pereira, Minister Vargas will manage to stem the flow of researchers. The two ministers will search for a solution with the government's economic team. INPE wants broader measures, covering the entire scientific area. It is essential to prevent early retirements and to grant incentives for hiring qualified researchers.

Chile

Chile: Youths Back UN Report on Police Repression

PY2302001896 Santiago LA TERCERA DE LA HORA in Spanish 22 Feb 96 p 13

[Article by Edison Diaz Johnson]

[FBIS Translated Text] The Communist Party Youth Faction (JJCC) supported the human rights report delivered by UN rapporteur Nigel Rodley with a demonstration at the National Shrine on 21 February. JJCC President Guillermo Salinas expressed his concern over Rodley's report stating that the Carabineros as an institution are responsible for several acts at variance with the people's rights.

Salinas said: "We fully agree with Rodley concerning the report on human rights violations and we categorically reaffirm that, as in times of military dictatorship, torture, repression, and abuse of power still prevail in Chile today. The government of the coalition is to a great extent responsible for these acts, because it has contributed by developing a repressive state."

According to Salinas, the JJCC are the most affected by the development of police repressive policies — for instance — of the law on violence in stadiums, the arrest of suspects, and now, the Independent Democratic Union (UDI) initiative seeking to punish members of youth organizations.

Salinas added that this situation leaves the youth factions "in a state of defenselessness against police institutions which, sheltered behind those laws, commit abuses, because there is no real possibility to report these acts for fear of retaliations."

Salinas added that the courts are also highly responsible for these acts because they "enforce the law with different criteria for the same type of crime, and in general, the policemen are usually privileged."

The JJCC also demanded admittance that torture practices prevail, and that the government must assume the responsibility is befitting, according to that organization. They also demanded an investigation of the cases that have been brought up and those which are still pending.

Chile: Allamand Proposes Center-Right Electoral Alliance

PY2002224596 Santiago EL MERCURIO in Spanish 15 Feb 96 p C2

[FBIS Translated Text] RN [National Renewal] President Andres Allamand proposed on 14 February that the only valid alternative for the center-right is to achieve

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an electoral alliance — not a political one — in which each member would uphold their views and differences.

Allamand, who yesterday did not attend the RN-UDI [Independent Democratic Union] meeting because he was on vacation, asserted that it is "absurd" to condition the existence of an electoral alliance to a full identity of political parties or absolute coincidence of opposition party programs.

Allamand went to La Moneda Government House to hold a meeting with Acting Interior Minister Belisario Velasco in the company of members of the Hanns Seidel Foundation, German legislators and the German ambassador to discuss national political issues.

About the RN-UDI meeting, Allamand said that it was essential for the center-right to achieve a solid electoral alliance for the next municipal and legislative elections (scheduled for 1997).

He warned that without an electoral alliance, the political possibilities of the center-right will be considerably depleted.

He insisted that the opposition is compelled to achieve this electoral alliance to succeed in the municipal and legislative elections.

After it was pointed out to him that in so doing he is rejecting the achievement of a political alliance and with it the possibility of becoming a government alternative, Allamand said that opposition parties are not identical and that they do not share the same views on all issues.

The RN president said that it is reasonable to have political differences with the UDI and that this should not be the cause of great conflicts.

Allamand said that what is important is for the center-right to achieve this alliance by 1999 for the presidential and legislative elections.

He also said that the center-right must accept and work on the basis of a formula that will allow it to work in unison, but acknowledging diversity.

Allamand added that the UDI and RN agree on several issues but not on all of them and that, therefore, to condition the achievement of an alliance to the holding of similar views would be like "putting the horses before the cart."

Chile: Economy Minister Evaluates Prices, Inflation

PY2002225496 Santiago EL MERCURIO in Spanish 17 Feb 96 p A1

[FBIS Translated Excerpt] Economy Minister Alvaro Garcia has said that the price increases of international oil and agricultural products, caused by the drought in the southern region, should not prevent the fulfillment of the inflation target.

He also said that the real danger is the very rapid increase in consumption.

He added that the high consumption rate affects some groups, especially the large debt contracted by the medium- and low-income sectors.

Based on studies made by the National Consumers Service, Sernac, Garcia said that if these families saved money to pay cash for their goods, their expenses bought on credit would have to be cut to half.

Garcia said that the consumption rate increase toward the end of last year was 12 percent per year.

Even though that rate dropped in the last few months, Garcia said he did not have any information on whether this trend would continue.

Garcia pointed out: "If Chileans want to contribute to meet the inflation target, they must make a commitment to a great savings effort in 1996."

Regarding the increase in international oil prices, Garcia said that if these prices continue to increase, internal prices will also have to be increased.

The variation in the price of oil registered on 14 February was $1.80 per barrel, from $16 to $18 per barrel.

According to the Concon Refinery, the oil price increase was caused by the bad weather in the northern hemisphere, which led to a drop in the fuel reserves of countries like the United States due to greater fuel consumption. [passage omitted]

Another element that may affect internal prices is the drought in the southern region, which has basically affected the harvest of wheat, barley, oats, and potatoes.

Garcia said it is obvious that the drought will affect production but a final opinion on how it will affect the IPC (consumer price index) cannot yet be given.

He said: "Some products can be replaced by imported products but an inflexible situation affecting prices may develop." [passage omitted]

Chile: New Foreign Ministry Appointments Disclosed

PY2202181496 Santiago EL MERCURIO in Spanish 21 Feb 96 p C3

[FBIS Translated Text] A number of high-ranking officials have been changed at the Foreign Ministry as a result of the appointments made this year.

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A Foreign Ministry source said that the routine rotation is the only reason for the new appointments of the Foreign Ministry officials in Santiago and abroad. It was denied that the changes had any political connotation.

According to Foreign Ministry regulations, an employee (starting with the rank of third secretary to minister counselor), must serve five years abroad and two years in the country. Ambassadors fall under a different category because this is a post that enjoys the confidence of the president of the Republic. An ambassador holds his post as long as he receives the support of the president, or until he is assigned to another post abroad or in the country.

The following is the Foreign Ministry organizational chart:

Foreign Minister: Jose Miguel Insulza, of the Socialist Party; Foreign Ministry Under Secretary: Mariano Fernandez, of the Christian Democratic Party.

The following foreign service officials will be in charge of the Foreign Ministry directorates:

Favio Vio, foreign policy director general.

Cristian Barros, administrative director general. He was serving as ambassador to Denmark and will be replaced by Raul Schmidt, the former director of the Asian-Pacific Affairs Department.

Carlos Ducci, multilateral policy director. He will serve as ambassador to Paraguay as of June. It is believed he will be replaced by Cristian Maqueira.

Emilio Ruiz-Tagle, former cabinet chief of the foreign minister, has been appointed director for special political affairs.

Monserrat Palou, former consul in Buenos Aires, has been appointed consular affairs general director.

Juan Martabit, director for Latin American affairs.

Carlos Klammer, director for European affairs. He will serve as ambassador to Portugal as of June.

Jose Tomas Letelier, who until now has been serving as administrative director general, has been appointed director for Asian-Pacific affairs.

Raimundo Barros, director for legal affairs.

Fernando Reyes Matta, Cultural Affairs and Information Department director.

Ricardo Concha, has been appointed Foreign Minister Insulza's cabinet chief. He was the former deputy director for European affairs. Jose Luis Balmaceda has been appointed Under Secretary Fernandez' cabinet chief.

The appointment of the planning director is still pending because Mario Artaza has been appointed Chilean ambassador to the United Kingdom and Northern Ireland

Chile: Defense Chief of Staff on Continental Peace

PY1602214896 Santiago EL MERCURIO in Spanish 15 Feb 96 p C3

[FBIS Translated Text] Air Force General Raul Tapia Esdale, national defense chief of staff, has stated that peace at the continental level is assured for a long time and that the office under his administration which advises the Defense Ministry does not foresee any potential conflicts.

Tapia made this comment yesterday when referrring to his recent trip to Ecuador and Peru within the framework of the activities conducted by the military chiefs of the guarantor countries of the Rio de Janeiro Protocol.

Gen. Tapia Esdale said: "Peace in the continent is assured now that the two countries have sovereignly decided to overcome their border disputes."

He added that all countries of the Americas have been able to overcome their border problems and that the only current border conflict is that between Peru and Ecuador, but it is about to be resolved.

Regarding the Peruvian-Ecuadoran conflict, Tapia said that no new confrontation is foreseeable in the near future, but he acknowledged that he could not assert that peace has been assured in this region. [sentence as published]

He also praised the fact that both parties are willing to achieve peace and that the military chiefs of both countries are acting in a "very mature" manner.

About charges on the acquisition of new guns by Peru and Ecuador, Tapia said that these are sovereign decisions made by each country and that the guarantor countries are not entitled to issue an opinion on this matter.

He also denied that the acquisition of four Kfir planes from Israel by Ecuador would undermine the peace negotiations. He said that such a small number of planes would have no impact in a war.

Chile, Brazil, Argentina and the United States are involved in the peace negotiations undertaken by Peru and Ecuador in compliance with their role of guarantor countries of the Rio de Janeiro Protocol.

Gen. Tapia also discussed the work carried out by the observers from Chile, the United States, Argentina, and Brazil on the Peruvian-Ecuadoran border, where both

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countries waged a 1-month war at the beginning of 1995.

Tapia praised the professionalism of the observer countries' task force, reflected in the fact that the countries in conflict have requested the observers to continue their activities for possibly another year.

Tapia added that it is likely the current task force will be maintained to safeguard the cease-fire. Chile has assigned nine men from the Army, Navy and Air Force to this task force.

Chile: Government Proposes Shortening Presidential Term

PY2002223896 Santiago EL MERCURIO in Spanish 16 Feb 96 p C3

[FBIS Translated Text] Regional Development Under Secretary Marcelo Schilling yesterday submitted for public discussion a proposal to reschedule the national electoral timetable due to the multiple election processes slated for the next few years.

The Executive Branch proposal seeks to shorten the presidential term from six to four years so that presidential elections may coincide with that of senators and deputies.

The proposal might be implemented as of 2005, the year in which in compliance with the current electoral timetable, presidential and legislative elections will be held together for the first time.

After explaining that this proposal may be implemented only as of the next presidential term or the following one, Schilling said that it is necessary to reorganize the election schedule because five elections will be held in less than seven years.

According to the legislation in force, municipal elections will be held in 1996; legislative elections in 1997; and presidential elections in 1999. Municipal elections are again scheduled for the year 2000 and legislative elections for 2001.

If the current election schedule is maintained legislative and presidential elections will not coincide until 2005.

Schilling explained that it is more feasible to shorten the presidential term than to extend the legislative term, which would be the other alternative. He added that it would be an "unpopular" measure if legislators approved the extension of their own term.

Schilling said that although this may constitute an alternative, it would be applicable only for future legislative terms.

He insisted, however, that this alternative raises more legal problems.

As for the possibility of shortening President Frei's current presidential term, Schilling said this would be impossible because a constitutional reform was implemented in 1993 shortening the presidential term from eight to six years. After the military government, Patricio Aylwin assumed a four-year transitional presidential term in 1990.

Asked whether the administration is studying this possibility, Schilling said that officials have agreed to reorganize the election timetable. He added that such an idea has been proposed by other officials.

He mentioned the proposal made by UDI [Independent Democratic Union] Senator Eugenio Cantuarias, who proposed to hold municipal and legislative elections on the same occasion. He added that another proposal called for holding all the elections on the same year beginning in 2005.

Chile: UDI, UCCP Reject RN's Electoral Alliance Proposal

PY2102195096 Santiago EL MERCURIO in Spanish 16 Feb 96 p C2

[FBIS Translated Excerpt] The UDI [Independent Democratic Union] and UCCP [Progressive Center Union] leadership have categorically rejected National Renewal [RN] President Andres Allamand's proposal to reinstate the Union for Chile as an electoral pact, but did not reject it as a political pact, in view of the upcoming municipal elections.

UDI Vice President Deputy Jorge Ulloa and UCCP Senator Francisco Javier Errazuriz rejected Allamand's proposal and stated that the reinstatement of the center-right coalition must be based on a solid long-term program. [passage omitted]

It must be noted that the UDI has categorically stated that there is no possibility of reinstating the center-right alliance while RN does not openly reject the idea of debating in Congress the constitutional reforms being discussed in the Senate.

UDI Vice President Jorge Ulloa yesterday said that the UDI is not willing to achieve a mere instrumental pact because it believes that a political alliance must be based on basic doctrinary guidelines.

He added that the UDI is not interested in achieving a pact for the sole objective of electing mayors. He said the UDI wants to establish a true government alternative that will offer the country better solutions to problems

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than those offered by the CPPD [Coalition of Parties for Democracy]. [passage omitted]

Moreover, Senator Francisco Javier Errazuriz believes that Allamand's proposal is very serious because it destroys all possibilities for establishing a government alternative to oppose the ruling coalition.

Errazuriz said that Allamand's proposal contradicts what has been proposed by RN Vice President Roberto Ossandon, who a few days ago said that RN hopes to reinstate the pact on the bises of a political program and not only for electoral purposes. In view of this, Errazuriz urged Allamand to reconsider his position. [passage omitted]

Chile: PDC Urges Opposition Party To Honor Accord

PY2202232996 Santiago EL MERCURIO in Spanish 21 Feb 96 p C3

[FBIS Translated Text] On 20 February, as he resumed chairmanship of the Christian Democratic Party [PDC], Alejandro Foxley urged the National Renewal Party [RN] to honor its commitment regarding the constitutional reforms in order to safeguard the credibility and confidence in politics.

According to Foxley, the PDC intends to demand greater seriousness in politics due to the fact that RN representatives have disregarded the agreement allegedly reached with the government.

RN leaders have stated that a formal agreement between the government and that party never existed, which, in Foxley's opinion, is completely false because the proposed constitutional reforms project is the result of a series of meetings held by the three ministers of the political field — secretariat general of government, secretariat general of the presidency, and interior minister — and RN Chairman Andres Allamand.

He added that the chairmen of several of the member parties of the Coalition of Parties for Democracy attended the aforementioned meetings and participated in the agreement.

Foxley said: "I would urge the RN chairman to explain to the country the content, the spirit, and the letter of what he discussed with the interior minister, the minister secretary general of government, and the minister secretary general of the presidency."

In this regard he explained that the agreement reached by the ministers of state and Allamand not only referred to the substance of what was proposed but also to the possibility that the government review its proposals so that they be in keeping with the text approved by RN during its general council meeting in Temuco.

In Foxley's opinion, the nature of the problem lies in the fact that some RN sectors seek to ignore the measures adopted by their leadership and, specifically, by its chairman who received the support of the general council and the political commission and this, for the PDC, represents a very serious problem for the opposition party.

The PDC has decided that it will wait only until March for RN to make a decision in this regard because it believes this is an appropriate date and gives RN enough time to state its stance regarding the constitutional reforms.

Foxley said that talks in this regard have been exhausted because the subject has already been viewed from every possible angle and the idea of debating it in Congress must be approved so that amendments that may not distort the guidelines initially agreed upon be made.

Foxley asked RN that, by March, it have an open, honest, and clear stance.

The PDC chairman, hinting that the existence of punctual points of disagreement does not imply that the government and RN cannot reach an agreement, said that "following the voting in Congress, as is customary in Congress, specific aspects of this proposal may be improved based on the objections that may be made."

The future of this project seems quite uncertain due to the opposition of rightist sectors who do not support the constitutional reforms.

RN disclosed a proposal drafted by Deputy Luis Valentin Ferrada, who, on behalf of the RN, proposed a solution regarding the reforms.

The PDC leadership only accepts the proposal drafted by RN and the government, because that, and no other, is the text that must be voted.

Foxley said that if the agreement with RN fails, the CPPD member parties will continue to point out that the current democratic system is not perfect because the arbitrary powers of a regime that no longer exists continue to exist through the institutions and the political parties.

Hernan del Canto, Socialist Party under secretary general, said that RN has not honored its commitment regarding the constitutional reforms. Therefore, it has failed to honor its commitment with the government to approve them.

He said that the political parties must act honestly before the people.

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In this sense, the socialist leader said that this represents a serious setback for the country because, in his opinion, these reforms are necessary for the democratization process.

He said that without the votes of the senators of the RN "hard line," the project cannot be approved.

Chile: Brunner Denies Government Seeks To Modify System

PY2202004196 Santiago EL MERCURIO in Spanish 20 Feb 96 p C3

[FBIS Translated Text] Jose Joaquin Brunner, minister secretary general of the presidency, yesterday at La Moneda said that the idea of promoting initiatives designed to modify any aspect of the Chilean political system is absolutely and definitely not in the government's plans for 1996.

Brunner said that the only changes the executive branch is promoting are the constitutional reforms that seek the specific improvement of some of the constitutional institutions.

The minister thus referred to the proposal by political leaders to simultaneously review the following issues: the duration of the mandate, the possibility of reelecting the chief of state, and of changing the presidential system for a parliamentary system.

In Brunner's opinion, the debate regarding the aforementioned issues "is of a purely and strictly intellectual nature." He explained that the government is not promoting nor will adopt any initiatives in this regard and, in a more emphatic tone of voice, said that those initiatives are not included in the working plan for this year nor for the rest of President Eduardo Frei's mandate.

He explained that the government has only said it believes that in the future a more rational electoral system should be sought but that it wants to avoid promoting a political debate, which is not in keeping with reality, regarding a technical issue.

Brunner also said that this subject only serves to distract discussions from the fundamental political debate, that is, the constitutional reforms.

Jorge Pizarro, acting PDC [Christian Democratic Party] chairman, said he is in favor of reducing the presidential mandate to four years with reelection, so that the presidential elections may coincide with congressional elections.

In this regard, Pizarro said that this is not a new subject in the political debate because it was discussed at length in 1993. In his opinion, the fact that the president be elected at the same time as the congressmen, will give him a greater margin to "govern" because it will allow him to know exactly what the citizenry's political leanings are, as they will be reflected in Congress, and to respond to their expectations.

Jorge Pizarro believes that the great number of elections that will take place in the next 20 years — practically one election per year — in the long run will make people tired and will cause a certain stagnation in the government policies which is not good for the country's development. Therefore, it would be a good thing to assess the proposals designed to solve this problem.

Senator Francisco Javier Errazuriz, leader of the Progressive Center Center Union (UCCP), said the government proposal to shorten the presidential term is "not very serious." The proposal was made by Marcelo Schilling, under secretary of the Regional Development and Administrative Secretariat of the Interior Ministry.

Errazuriz said that the government proposes new constitutional reforms, this time referring to the duration of the presidential mandate, "even before the expected rejection of the current reforms proposed by the government."

Osvaldo Andrade, vice chairman of the Socialist Party, said that reducing the presidential term from six to four years, proposed by the government and some deputies, should be discussed within a framework of comprehensive changes to the political system.

Andrade said that the proposal makes sense if the idea of reducing the government's term is designed to reduce the number of elections. However, he added that there is the risk in holding presidential elections simultaneously with the congressional elections.

In his opinion, as Chile has a presidential system, Congress is the government's natural counterbalance. Therefore, Andrade said that if the congressional elections are held simultaneously with the presidential elections, there is the risk that the majorities "of a same political party" assume the Presidency.

In Andrade's opinion, the president's power should be reduced and the modification of the presidential term tackled within a comprehensive discussion about the Chilean political system.

Chile: Brunner Discusses Communications Policy

PY2202014596 Santiago EL MERCURIO in Spanish 18 Feb 96 p C3

[Quotation marks as published]

[FBIS Translated Text] Jose Joaquin Brunner, minister secretary general of government, refuting the constant

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criticisms against the government's communications policy, stated that a valid government communication policy should have a democratic concept.

Brunner asserted that in a democracy, the government acknowledges the existing plurality and the diversity of communications media, therefore, it must try to attract the public opinion's attention without resorting to political propaganda or marketing, two elements that have been rejected.

Brunner said that criticisms in this sense against the government are a universal phenomenon and asserted that they do not bother him. He said: "Sometimes the government's communications policy is used as a scapegoat, but the truth is that the government's communications has a limited scope. In politics not everything is images. Reality is more difficult and complex."

The government's communication policy, under this administration as well as that of Patricio Aylwin and at various times, has been rejected by various sectors. However, those who voiced their opinion more loudly are the legislators of the Coalition of Parties for Democracy, among them Senator Gabriel Valdes, who last year asserted that the people were not aware of the government's achievements.

Brunner refuted Valdes' statements because they do not reflect reality. He said that as in all western democracies, the government is the main generator of news and that every day government officials voice their opinion, are interviewed, and they disclose information.

[EL MERCURIO] People insist that you do not fully disclose what the government is doing...

[Brunner] "One thing is to disclose and inform and another to make news. The government does not produce news. It only produces the raw material that makes news, and the media then decides what is news. This is how it works in democracy. Only in those regimes where the state apparatus controls the media does the government determine the news."

The minister also said that it is not true that the current administration lacks a policy in this regard. "A modern government must communicate with the society, must inform, disclose its policies, participate in the debates, voice its opinion. To promote or praise itself is a different matter. That is not befitting with democracy. Furthermore, it has a boomerang effect. The public opinion is educated, sophisticated, keeps itself informed. It is not willing to listen to stories."

[EL MERCURIO] Could you tell me then what the government's communication policies are?

[Brunner] "Our main goal is for the government, as a whole, to give the public opinion a sense of belonging to the country; to show that we have the unique possibility of attaining development if we do the tasks proposed by the president properly, of consolidating democracy, of making our economy grow and become international, modernizing our infrastructure, education, health, and justice, making the state apparatus more efficient and, as a result of the aforementioned, eliminate extreme poverty.

[EL MERCURIO] But all this is still very generic...

[Brunner] "Well, it may be, but that is what we have to do. This is what the government's communication policy consists of and I believe it is very successful because the debate in Chile today is focused on those subjects. The other main objective of our policy is to inform the citizenry what we are doing as a country, including the government's permanent action."

[EL MERCURIO] In this case what does the government's policy consist of?

[Brunner] "On one hand, we are improving all direct information services to the public the organizations have as well as the government services to make them more open, direct, timely, and useful. On the other hand, we want the government authorities to be in contact with the community nationwide, to inform, to learn about the problems, and to come up with solutions."

Brunner explained that his ministry is not in charge of all government communications because the government is a transmitter with multiple voices. He explained that the government elaborates communication concepts, coordinates, advises, and grants support, but does not centralize. He said that that job is different to being spokesman, to disclosing the official version, a responsibility that his ministry does have.

[EL MERCURIO] Polls show that the government has lost popularity. Isn't the communications policy responsible for that?

[Brunner] "In the first place, the polls do not reveal such a thing. The level of support the government enjoys is high and its policies enjoy a stable approval of a majority. In the second place, if things were so simple, every government in the world would be successful. Because there is nothing easier than simply changing the people in charge of communications until one finds a good official publicity agent. The problem is that the governments are not for sale as any product is. It is a much more complex matter. Politics has to do with support, values, the sense of history, the country's most complex problems. It is not a field where publicity and marketing play a role."

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[EL MERCURIO] Criticisms of the communications policy have not only existed under this administration but also under Aylwin's administration, during which Eugenio Tironi asserted that the policy was not to have one...

[Brunner] I think that Tironi's comments were interpreted out of context and erroneously. He made a comment at a determined moment in the sense that Aylwin's government did not wish to have a propaganda policy, that is, to turn communications into a sort of vertical political publicity designed to impose certain messages. He never said that the government should not have a communications policy and that he was in charge of generating it."

[EL MERCURIO] Which is the difference between the two administrations?

[Brunner] "Basically, the difference lies in the different contexts they both handle. From the ideological viewpoint, I am sure there have not been any significant changes. During the previous administration and now the basic idea is a democratic communication. What changes is the time, the type of problems that are being tackled. This administration's communications policy is at the service of a modernization project and that of the previous administration was focused on the transition process. This establishes a difference in the contents and the emphasis."

[EL MERCURIO] How effective do you think the communications policy is?

[Brunner] "In a democratic, competitive world where a lot of information is generated and there are various communications media, the government, with its own actions and messages is relatively more successful in disclosing what it is doing. Assessing various surveys one can see that the government is the main supplier of information in society and that the media handles news on its achievements in a privileged manner."

Chile: Rightist Parties Urge Withdrawal of Reform Bill

PY2302001996 Santiago EL MERCURIO in Spanish 22 Feb 96 p C2

[FBIS Translated Excerpt] The Independent Democratic Union [UDI] and the Progressive Center Center Union [UCCP] created yesterday an anti-reform axis and asked the government to withdraw the constitutional reform bill from the Senate. They also called on National Renewal [RN] to seek agreement with its natural opposition allies instead of seeking agreement with the government and the Coalition of Parties for Democracy.

After meeting in the UCCP headquarters, the two opposition parties expressed their will to reorganize the Union for Chile Pact based on clear programatic agreements, thus discarding the RN proposal for a merely electoral understanding.

The UDI and the UCCP got together yesterday on the initiative of the latter to disclose their common rejection of the constitutional reforms and to exert pressure on the RN to clarify its position on this matter to be able to reactivate the work of the center-right alliance.

The meeting was headed by the acting presidents of the two parties, Jorge Concha (UCCP) and Domingo Arteaga (UDI), who came with Deputy Ivan Moreira of the UDI and Enrique Schilling of the UCCP.

After a brief work meeting, a joint declaration was released calling on the government to withdraw the constitutional reform bill and to stop insisting on the reforms because they are not viable, in other words it does not have enough votes for approval, and also because it creates confusion among the people.

The communique adds that the country is tired of this useless debate and that the controversy of the last few days between RN and government spokesmen over the alleged existence of a political agreement on the reforms was a "political show." [passage omitted]

RN labeled the call for unity made by the UDI and the UCCP appropriate because it was an answer to the call made by RN with the same purpose last week.

Acting RN President Roberto Ossandon labeled the meeting as part of the call for unity made by his party. He pointed out that his party always emphasized that it has no commitments with the Coalition of Parties for Democracy and that its priority is the reorganization of the opposition pact.

Colombia

Colombia: President Views Proposal To Hold Elections

PA2302034596 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 23 Feb 96

[From the "Seven O'Clock Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0100 GMT 23 Feb — passages within quotation marks are recorded]

[FBIS Translated Text] In its editorial today, the liberal newspaper EL ESPECTADOR proposed a political solution to the country's crisis: reform the Constitution and elect a new Congress and president before 1998.

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The proposal states that in order to establish strict financing rules for campaigns and to give solidity to the country's institutions, it would be convenient to reform the Constitution so the current presidential and congressional term can be ended and new elections summoned.

The liberal newspaper, which has backed Samper up to now, added that this democratic solution must have clear backing when the regular sessions of the Senate and the Chamber of Representatives begin on 16 March. If accepted, the legislative act would be furthered during the regular sessions in July, the newspaper stated.

The true importance of EL ESPECTADOR's proposal lies in the fact that President Samper himself has considered it feasible. President Samper has commented on the EL ESPECTADOR proposal, saying it will be studied as one of the solutions to the current crisis:

[Samper] "I respect the position this newspaper has expressed. I understand that the prosecutor general also shares this opinion. It warrants all my respect, and I will consider it. It is, of course, one of the alternatives of governability that must be studied."

The president, who met with the ambassadors of the European Union to Colombia today, also said he expects the confidentiality of the proceedings will be lifted so the country can know of his arguments, which, he says, will exonerate him in the investigation the Accusations Committee is carrying out:

[Samper] "I believe the country wants to know the personal conduct of their president, and, as of that moment, this and other alternatives will be considered."

Prosecutor General Alfonso Valdivieso has said he believes the solution EL ESPECTADOR proposed could be appropriate, adding that his opinion does not refer specifically to President Samper's case, because he believes a constitutional instrument that includes the revocation of a term is valuable.

The prosecutor general today commented on a prospect he had never wanted to mention in the past: the feasibility of finding a political solution to the country's crisis. Valdivieso clearly spoke about the option of holding new presidential and congressional elections before 1998:

[Valdivieso] "I do think the country, our institutions should have the possibility of moving up elections."

The prosecutor general clarified that the argument of calling for new elections must not be for the current situation alone:

[Valdivieso] "Not only to confront the current problems but with the general objective of having an alternative and an option to face a given situation in managing the [words indistinct], as it happens in many countries of the world."

As for the Final Point Law [Punto Final Ley] regarding all the people under investigation, the prosecutor general insisted that the issue must be handled very carefully, because crimes must be distinguished:

[Valdivieso] "This matter will not end in impunity, and without a doubt people who have caused such an impact in our society must not be shielded."

Another issue on which Valdivieso commented was the death penalty. He summarized his position with only one phrase:

[Valdivieso] "It implies that the most severe penalty will decrease crime, and this has not been and is not true."

Colombia: Samper's Lawyer Says Prosecutor Interfering

PA2302041796 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 23 Feb 96

[Report by Juan Carlos Mateus from the "Seven O'Clock Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0100 GMT 23 Feb]

[FBIS Translated Text] President Ernesto Samper Pizano's lawyer, Luis Guillermo Nieto, has just strongly criticized the prosecutor general and has said he is interfering in politics:

[Begin Nieto recording] It seems to be a definitive signal of criminal conduct. To it we must add that the prosecutor general, almost immediately, has manifested the concern of many Colombians: that Congress does not offer the necessary credibility to give a ruling that will bring calm to the country, and immediately thereafter—all this happens in a very, very short interim—he makes a political proposal to summon new elections. He seems to be preparing to go against a verdict of innocence for the president of the Republic by suggesting a political solution that goes against the president. [end recording]

Colombia: Foreign Minister Denies Samper Asylum Request

PA2302000896 Mexico City NOTIMEX in Spanish 2104 GMT 22 Feb 96

[FBIS Translated Text] Santa Fe de Bogota, 22 Feb (NOTIMEX) — Colombian Foreign Minister Rodrigo Pardo today denied that President Ernesto Samper has requested asylum abroad due to the political crisis and charges of having ties with drug traffickers he is facing.

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The foreign minister thus referred to Costa Rican Foreign Minister Fernando Naranjo's statements that his country would be willing to give asylum to Samper should he decide to leave Colombia. "We would have to know the context in which he gave those statements," Pardo said, adding: "My impression is that he simply said President Samper will always be welcome in Costa Rica."

Colombian political leaders have asked for the president's resignation to resolve the institutional crisis, but the chief of state says he will not resign, because he is a victim of a plot promoted by the drug cartels. Asked whether the Colombian president had formally requested political asylum, Pardo replied: "Obviously not."

The Costa Rican foreign minister said on 21 February that if President Samper "should tell us he wants to come live in Costa Rica, we would consider the possibility," but he warned there had been no requests or reports in this regard up to now.

Samper is facing an action in congress based on charges that he received money from drug traffickers to finance the political campaign that led him to power in August 1994.

In statements to the press, Pardo reiterated that Samper is willing to find formulas for governability "once his legal situation has been defined with the investigation" and said "there is a general disposition to study proposals."

The Santa Fe de Bogota newspaper EL ESPECTADOR this Thursday proposed that a reform be made to the Constitution so the presidential term can be ended and new elections summoned. The initiative was accepted by Colombian Prosecutor General Alfonso Valdivieso who has said it as an important suggestion to resolve the difficult, internal situation in the country.

Colombia: Unions Demand Samper's Temporary Resignation

PA2202232896 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 21 Feb 96

[From the "Seven O'Clock Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0100 GMT 21 Feb 96]

[FBIS Translated Text] The National Union Council has issued a document in Santa Fe de Bogota, insisting on President Ernesto Samper's temporary resignation. The fourteen organizations indicate in their statement that the worrisome polarization of society and the lack of governability generated by the prolonged crisis prompts them to insist on the temporary resignation of the president of the Republic.

The businessmen coincide with the bishops on the fact that a temporary resignation would render more clear the exercise of the president's defense, and would contribute toward the prompt return of governability and the reinstatement of the citizens' confidence in their authorities.

Colombia: Liberal Directorate Head on Samper Charges

PA1702135996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 16 Feb 96

[Telephone interview with Luis Fernando Jaramillo, president of National Liberal Directorate, place not given, by Caracol News Director Dario Arizmendi in the network's studios in Santa Fe de Bogota; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] What do you think about Prosecutor General Alfonso Valdivieso's decision to charge the president of the Republic with four alleged crimes before the Accusations and Investigation Committee of the Chamber of Representatives?

[Jaramillo] I believe it is a process that had been coming about for a long time. The prosecutor general had announced it previously. It is my understanding that the prosecutor general has submitted a description of events and has denounced these actions. I understand that the text of the prosecutor's report has not been revealed. As of today, I do not think it has been made public. The exact terms of the accusation are not known yet. I understand that no accusations were made regarding specific crimes but, rather, the only facts that occurred during that entire [words indistinct].

[Arizmendi] What makes you affirm that the prosecutor general has denounced deeds and not crimes?

[Jaramillo] The information I have is that there was a charge of actions, not crimes; that is apparently the truth.

[Arizmendi] Why, then, have the media presented the prosecutor general's charge as an accusation of alleged crimes?

[Jaramillo] I do not know why they would do that. I have no information about why they would do that. What seems strange is that the prosecutor general's charge was not a document that was made public. I do not know whether the media know this, but the information I have is that the prosecutor general's charge includes a description regarding events of possible or alleged crimes, but I do not believe there is a specific accusation of crimes the president has committed.

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[Arizmendi] That is, that there has been no transfer of facts to the committee stemming from the inquests of former Defense Secretary Fernando Botero, former Congresswoman Maria Izquierdo, Samper's campaign manager, Santiago Medina, and other investigations carried out by the Prosecutor General's Office?

[Jaramillo] Of course. The assessment of these falls within the jurisdiction of the Accusation and Investigations Committee as the law specifies. The prosecutor general does not classify actions. The prosecutor general remits the information to the Accusations and Investigations Committee, and the committee assesses the deeds, and if it finds punishable crimes that may be attributed to the president, it includes them in the [word indistinct] accusation, which is a product of the accusation the committee makes before the full Chamber of Representatives.

[Arizmendi] Has the highest level of the Prosecutor General's Office confirmed the information you have?

[Jaramillo] It is information that I believe is very reliable.

[Arizmendi] From your point of view, does that change things considerably?

[Jaramillo] I believe that is the prosecutor general's proper role, and the prosecutor general has said he has performed that role. The prosecutor general is not the accuser in this case; the accuser is the Accusations and Investigations Committee. The prosecutor general gathers an assortment of facts that may indicate crimes or punishable actions, and these are sent to the Accusations and Investigations Committee to be studied, qualified, and the committee will introduce an accusations proposal in the Chamber of Representatives if it determines these actions are punishable.

[Unidentified woman reporter] At any rate, even if a criminal action were determined in the charges presented by the prosecutor general, these would not be linked to later rulings taken during the course of the ongoing investigations in the chamber of deputies?

[Jaramillo] Let's see, you lost me.

[Reporter] For example, even if in the prosecutor general says that there were a charge of illegal enrichment, wouldn't the Accusations and Investigations Committee be obligated to respect those qualifications because they are free to investigate...

[Jaramillo, interrupting] No, no, no.

[Reporter] And to classify the facts.

[Jaramillo] Of course, the Accusations and Investigation Committee is the one that determines whether a crime has been committed, and that is its role. The committee determines and, I repeat, if it finds criminal actions then it proceeds to draft an accusations proposal [words indistinct] the chamber of representatives either accepts or rejects the proposal. If it accepts the committee's accusation proposal, then the chamber of representatives accuses the president of embezzlement.

[Reporter] Dr. Jaramillo, one of the actions that was charged, in which you can give us important [indistinct word], has to do with electoral fraud. At that moment, how did the Liberal Party — President Samper's party — carry out the process of receive the reimbursement of its campaign expenses? Who drafted the document and who signed it?

[Jaramillo] Here, there is a schism between the political campaigns — not only the Liberal Party campaign, but all political campaigns — and the political party organizations. The campaign is an independent entity. In some way, the political party collects its own funds, creates its own organization, and request a reimbursement of funds, after having carried out all the legal procedures. This is done by the political campaign, not the political party.

[Arizmendi] In conclusion, Dr. Fernando Jaramillo, and thanking you for your comments to Radio Cadena Caracol, is the Liberal Party going to insist with the representatives of the Accusations and Investigations Committee that one of them resign to leave a position open to be filled by a representative of an independent movement, which is currently represented here?

[Jaramillo] The Liberal Party has maintained from the beginning that this is an independent decision of the Accusations and Investigations Committee and its members so that pressure exerted on the committee members not prosper in any way. They must have every liberty so they can act conscientiously, so that every decision they make will a conscientious decision. Of course, it would be advisable, if not better, if a member of an independent movement formed part of the Accusation Committee. However, that is a decision the committee members will have to take individually, and if anyone considers that a better political balance in the committee would be better for the country, and one of them voluntarily decides to resign, I believe that would be [words indistinct] for the country.

[Reporter] [Words indistinct] DLN President Dr. Fernando Luis Jaramillo who says that although, for obvious reasons, he does not know everything about the prosecutor general's charges, Jaramillo affirms that his understanding regarding the charges is that facts, possible punishable actions, were presented there, not crimes, because it is not up to the prosecutor general to qualify

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them as crimes. Regarding the make up of the Accusations and Investigations Committee, he says that it is independent in its make up, and that [indistinct word] in the case of independents, but that pressure could not be exerted toward that decision.

Colombia: People 'Prepared For' Charges Against Samper

PA1602163296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 16 Feb 96

[From the "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] On many occasions we have praised the Colombians' demonstration of maturity during the country's current institutional and political crisis. Yesterday, this maturity was confirmed. Ninety-three percent of the 1,400 people polled by Caracol said the charges the prosecutor presented against President Samper at the Congress of the Republic had not surprised them. This is truly a high percentage. People presumed, knew, and were prepared for the charges presented by Dr. Alfonso Valdivieso Sarmiento.

Colombia: Minister, Senators Comment on Term Proposal

PA2302034896 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 23 Feb 96

[From the "Seven O'Clock Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0100 GMT 23 Feb]

[FBIS Translated Text] The justice minister, several politicians, and congressmen, who will also be affected by the proposal for their term to be ended ahead of time, once again have found an issue on which they stand divided:

[Begin recording] [Luis Fernando Jaramillo, president of the National Liberal Party Directorate] I believe this issue has to be taken within a context of a general, political negotiation to get us out of the crisis and not necessarily to move the elections ahead. We have to see all the possibilities.

[Justice Minister Carlos Medellin] I have no comments on this proposal. I believe we have to back the judicial system so the investigation can advance and the verdict be given.

[Senator Juan Carlos Castro] I would rather suggest that they implement the law that furthers those constitutional principles, so the national officials and congressmen who have violated it can be responsible for their actions.

[Senator Samuel Moreno] Let us study it. If it is going to be, as they told us five years ago, a panacea and the solution to all the problems, well, lets do it, but if, as they say, we are going to change everything and things will continue the same, I do not think it is worth it. [end recording]

Colombia: Prosecutor on Certification, Death Penalty

PA2202213896 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1245 GMT 22 Feb 96

[Telephone interview with Prosecutor General Alfonso Valdivieso by Dario Arizmendi and unidentified reporter at the network's studio; place not given; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] We have an interview with Prosecutor General Alfonso Valdivieso Sarmiento. Good morning, Mr. Prosecutor General!

[Valdivieso] Good morning.

[Arizmendi] Yesterday, the president presented to the country a controversial situation. He must have prepared well for it, because there has been much ado. He said that a bill should be introduced to include the death penalty for atrocious crimes such as kidnappings. What do you think about this?

[Valdivieso] I think the issue is not to engage in a controversy or polemics. I think the issue should be to present proposals in line with a more integral conception of Colombia's policy of criminal law. We know there are 60-year sentences, and this has not reduced the crime rate. I think that the death penalty or life sentence proposals are nothing but improvisations.

I do not agree with that proposal. I think we must create much clearer positions with regard to the penal system and sentences. I wonder what has happened with other sentences, like those on other crimes that have shocked society, like drug trafficking, with 12-year sentences. This should be the source of a debate, but not on a particular issue, but as an integral conception of the policy of criminal law in Colombia.

[Arizmendi] Would you agree with another alternative, one that derived from the discussion that began yesterday in the country? Do you agree with life in prison sentences?

[Valdivieso] No. I do not think this is an alternative. It is clear that the crime problem is not resolved with more or less stiff sentences. The problem is not resolved with drastic sentencing. There are other circumstances: impunity, social circumstances... [changes thought] I think that reducing this issue to the approval or lack

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thereof of the death sentence or life in prison is a very simplistic approach. I wonder what projects the government has, but has not presented, on penal bias. There is a lack of equilibrium. Why have many sentences not been served? I would be in favor of engaging, not in polemics on such a circumstantial issue, but in an academic debate on this and to debate in Congress the issue of sentences in our current legislation.

[Reporter] Mr. Prosecutor, yesterday you sent a letter to the U.S. Government, through the U.S. Embassy, requesting a certification of the struggle Colombia has waged against drug trafficking. This means that the prosecutor general has asked the U.S. Government to grant the certification that the Colombians and all the sectors of the country want.

[Valdivieso] What I wanted to say is, as this is a unilateral decision by a government, the idea is that we want to know how the sector we are managing is being viewed, in the cases of penal and criminal investigations.

I think significant progress has been made. I want to point out three important aspects: The attitude of the Colombian authorities toward drug trafficking is very different now; the institutions have responded to this situation; and cooperation with the United States in various areas remains important and useful to the country, and the facts indicate that Colombia deserves this acknowledgment. I think this is the issue. Of course, we see the certification as an internal U.S. process.

[Reporter] But you recognize that the Samper administration during the period between 1 January and 31 December 1995 has done everything in its power to fight drugs and, therefore, the country deserves certification, Mr. Prosecutor?

[Valdivieso] No, I do not think we have done all we could, but I believe we have done a lot. Still, a lot more can be done and could have been done. I believe that Colombia's performance, in general, as a country has been significant and our ambassador has addressed a letter to the United States in that regard.

[Reporter] Mr. Prosecutor, would decertification somehow hurt the Prosecutor General's Office work on legal cooperation and even economic aid?

[Valdivieso] Yes, I believe so and, I repeat, all general matters and situations that depend, one way or another, and I honestly mean it, on the state of relations with the United States, or the international community at large. I believe that Colombia has shown signs of a great ability to recover, and we are at that point. Seen from that viewpoint, I think that Colombia can come away clean from any type of assessment.

[Reporter] Mr. Prosecutor, EL ESPECTADOR daily's editorial today suggests the convenience of calling, or better yet, amending the Constitution, to conclude the periods of the current administration and the legislative chambers and call for new elections. What are your thoughts about that?

[Valdivieso] I think that many alternatives have been discussed to deal with ongoing trials. I have done my part by expressing my views from a legal standpoint. I have done so on an official capacity. I would say, however, that all these suggestions deserve to be considered because the country should, absolutely, have different alternatives [words indistinct] despite the current situation. I have been thinking, for example, that although we have a presidential system in our country, the option of pushing elections ahead should be considered. I do not think this way out or option is just for countries or government organizations with a parliamentarian system, because some situations merit it. Therefore, it is important to consider those possibilities.

[Reporter] Mr. Prosecutor, pushing elections ahead to elect a new president and a new National Congress, too?

[Valdivieso] Yes, that could also be one of the possibilities. I think the system is much more explainable than parliamentarian systems have traditionally been. And that is how it works, that is, elections are pushed forward, the nation is called to elect who will head the executive and legislative branches. These are renewable political mandates. These recourses should be applied to the Colombian presidential system in a comprehensive manner with respect to the political renewal of the executive and legislative powers.

[Reporter] Mr. Prosecutor, in that order of ideas, from a viewpoint merely speculative, and with hopes of finding solutions to this crisis that is hurting us all, would you also be willing, would it be convenient, to study what some sectors have been proposing about a final point law, where the persons involved in the Case 8,000 would be pardoned, as long as they automatically become disqualified to run for public office in the future?

[Valdivieso] Well, one cannot forget that generalizing would raise concerns. When we talk about the Case 8,000 and the people mentioned or involved in that case, we talk about a whole range of people. I think that a formula that covers them all would leave a very bad precedent. When talking about drug trafficking matters, I think we should clearly differentiate among the

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persons involved in that activity. We should also differentiate among those who knowingly profited from drug trafficking, have lived with it or have encouraged it somehow, and those who could be basically interrelated or linked to that activity. This is an initial distinction. The other should involve a formula that could be suggested when that type of normative changes are discussed. It cannot look like a formula that discourages or frustrates those of us who hope to [words indistinct] responsibilities are established and that they have consequences from a criminal standpoint.

But I believe this issue is interesting. I feel that, as in all events, formulas must be presented — I repeat, taking into account those circumstances and many others — that may appear consistent with the need of the country to recognize the fact that we have hit rock bottom regarding the behavior in many issues. Somehow, a period of rectification of behavior is in order. I believe this is the important thing and, in the face of this, I don't see those formulas as inconsistent.

[Reporter] In other words, Mr. Prosecutor, if we understand correctly, would you support the possibility of discussing and studying a definitive selective bill, instead of an indiscriminate bill?

[Valdivieso] Yes, I believe it is worthwhile to consider this issue.

[Reporter] In the meantime, Mr. Prosecutor, what is your view, in principle, on the announcement made by the justice minister and reported yesterday on Emisoras Caracol Network, in the sense that the government supports — apparently it will do so in the next few hours — issuing a decree to regulate and establish circumstances and conditions for the detention of those persons who receive the approval of the Prosecutor General's Office to go under house arrest?

[Valdivieso] Listen, this is not only a matter of the persons who receive this benefit from the Prosecutor General's Office. There is a provision in our Penal Code that talks about replacing preventive arrest with house arrest. This is very different from what may be house arrest as a benefit for cooperating with justice, in which case, obviously, examples are very limited. The only case known is that of Santiago Medina.

The point is that there is a great vacuum surrounding house arrest. For example, the Commission To Evaluate the Policy of Surrender to Justice, which met several months ago, recognized that vacuum. The conclusions of this commission included the need to regulate the conditions for house arrest. To fill that vacuum, the contents of a draft decree must be analyzed. The minister of justice and the government, in a kind manner, forwarded this draft decree to us so that we can issue our view on the same. I believe it is necessary to do this understanding, naturally, what this decree is about. It is a situation in which the persons are, in any case, serving their term in a location different from their home, instead of a prison or alternative center. I am referring to the persons, for instance, who are under arrest at police garrisons. This is not house arrest; it is a detention center different from prison.

With regard to house arrest, it is important to establish clear regulations, taking into consideration the very legal framework. This legal framework cannot be ignored because it would become an illegal provision. We must act within the framework of the law.

[Reporter] In recent days and due to the deaths of several people, some people have tried to connect those events with the current political moment. For instance, the death of General Cifuentes' son. We have been informed police have now established he was killed by common criminals who killed him to steal his car.

What do you know about the deaths of Elizabeth de Sarria and Dr. Alvaro Gomez Hurtado?

[Valdivieso] Well, what we can say is that these investigations are making good progress. These investigations are being coordinated by the Prosecutor General's Office and other judicial police entities. This has allowed us, among other things, to explore many possibilities. This is very important; not to rule out any of the possible causes for these killings.

However, I must also state we have not reached a conclusion permitting us to inform public opinion we have found those responsible. This, of course, means that we hope to have results as soon as possible.

Naturally, it would be a great relief for the country to establish the origin, causes, perpetrators, and responsibility of those who assassinated Dr. Alvaro Gomez Hurtado three and a half months ago. It is important to know this. I believe part of the drama the country has experienced is being unable to find those responsible for this killing.

[Reporter] Mr. Prosecutor General, have you decided what specific charges will be filed for the processes closed several weeks ago in Case 8,000?

[Valdivieso] Well, we have not decided them yet, but we have made progress. We hope to have those decisions ready very soon.

[Reporter] Mr. Prosecutor General, as always, you have been very kind to us. Have a nice day and thank you very much for being with us this morning.

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Colombia: Medellin Mayor Supports Proposal on UN Troops

PA1902191496 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 19 Feb 96

[Report by Orlando Cadavid from "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Medellin — Medellin Mayor Sergio Naranjo Perez has offered support to Antioquia Department Governor Alvaro Uribe Velez's proposal to receive foreign troops in Uraba:

[Begin Naranjo recording] I had the opportunity to call the Antioquia Department governor to express my solidarity, because I understood that this moment was a very difficult and painful one for him. I feel very bad when someone gets killed here in the city of Medellin and can understand how he must feel. I also called to offer all our support and cooperation. We have witnessed all the efforts that have been made in Uraba. International assistance seems wise and convenient to me to help solve this bogged down problem, which hits all of us in Antioquia Department very hard. [end recording]

Nevertheless, the proposal of the Antioquia Department governor to seek the help of UN troops in Uraba has not received support from the banana sector.

Colombia: UN Position on Colombia's Drug Fight Viewed

PA2202225796 Santa Fe de Bogota EL ESPECTADOR in Spanish 20 Feb 96 p A2

[Editorial: "The United Nations and Colombia Face Drug Trafficking"]

[FBIS Translated Text] In this same column on Wednesday of last week when we mentioned the U.S. certification of Colombia regarding Colombia's struggle against drug trafficking, we listed the reasons why the U.S. Congress, based on the Clinton administration's recommendation, should acknowledge our efforts in that area.

We were pleased when the International Narcotics Control Board [INCB] associated with the United Nations mentioned Colombia in almost the same terms as we did in our editorial on the achievements attained in the struggle against drug cartels in 1995: the elimination of crops, the dismantling of laboratories, the seizure of large loads of cocaine, the arrests of drug trafficking capos, etc.

The INCB's statements at this moment, just as decertification of our efforts is being sought for other reasons, undoubtedly underscore Colombia's position before the world. The Colombian Government and authorities together with the civilian population have made great accomplishments in a process that has implied the use of military intelligence and blocs in charge of specialized operatives, as well as flawless coordination in the implementation of agreed on strategies.

The United Nations is confident the Colombian judicial authorities will do their part after investigating and trying the drug leaders under arrest based upon the seriousness of the crimes committed and evaluation of the collected evidence.

Being flexible would mean falling back from a path that demands strength, severity, and the good use of the legal provisions for punishment. A strengthened legal system, as the one in Colombia, needs to reaffirm its efficiency by acting in accordance with its institutional responsibilities.

Fighting money laundering continues to be the INCB's main priority. The figures confirmed in 1995 are high, and the methods used by drug producers and dealers to achieve their goals are numerous. As for Colombia, contraband has become the most effective channel used. The general idea today that smugglers cooperate in the operations of money laundering worth multimillions, which yield them juicy revenues, is spreading more and more.

For that reason the INCB encourages Latin American governments to take advantage of the vulnerability of the cartels' financial activities, which could be easily spotted as long as the banks are willing to do so, to help the legal institutions in their actions.

The expansion of the distribution channels and the spread to all continents could facilitate the common objectives of the governments interested in stopping greater dissemination of drug trafficking activities.

The international community should seriously evaluate the INCB recommendations, and each country should display a spirit of cooperation. Information is a key factor, as well as the exchanges among all legal organizations.

New laws, agreements among countries, and the new ways of cooperation constitute tools that when used appropriately could yield satisfactory results in pursuing a crime of adverse effects to the world. This crime harms society, which is no longer able to effectively protect men against social evils.

The INCB admits there is much more to be done, and the governments affected by drug trafficking have acknowledged the situation. Drug trafficking has become very significant, but the steps taken cannot be denied.

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Colombia was leading the way during the past year; therefore, the UN report is only paying its due respect.

Colombia: Police Purge Produces 507 Removals in 50 Days

PA2202220496 Santa Fe de Bogota EL TIEMPO in Spanish 21 Feb 96

[Received via Internet]

[FBIS Translated Text] A Police purge removed 507 agents from the armed institution in the first 50 days of this year, that is, an average of 10 per day.

According to Police statistics, 266 agents were removed by virtue of Decree 2010, 204 chose to resign, and 37 were asked to retire.

This was in keeping with Decree 2010, issued on 16 April 1995 by President Ernesto Samper, by which the Police Directorate decides the discretionary removal or immediate discharge of officers, noncommissioned officers, and policemen.

Decree 2010 was designed to deal with inefficient and corrupt officers, noncommissioned officers, and policemen against whom there is no evidence and who are protected by the right to remain within the institution for at least 15 years before retirement. This had made them unmovable from their posts.

According to Police sources, 204 agents who were targets of Decree 2010 chose to retire voluntarily.

Colombia: Police Dismantle Coast Cartel Network

PA1702151296 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Feb 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1830 GMT 16 Feb 96]

[FBIS Translated Text] The Atlantic Coast's drug distribution network was practically dismantled, authorities stated while announcing the arrest of five alleged members of the Coast cartel.

[Begin recording] [Reporter Gloria Tisnes] In the opinion of the authorities, the capture in Barranquilla of Coast cartel chief Jesus Amaya, is as important as the arrest of Cali cartel kingpin Elmer Herrera. Amaya is accused of smuggling 1,500 kg of cocaine into the Unite States. His arrest, as well as that of four other men in Bogota, took place within the framework of the Tile Operation [Operacion Azulejo] in which 200 policemen participated. The network's main drug distribution centers, which used light airplanes to carry the drugs, were located in Santa Marta and Barranquilla. To conduct their activities, the drug traffickers had four private radars, which were [words indistinct] organization, including one in San Andres Island.

[Narcotics Police Commander Colonel Leonardo Gallego] We have succeeded in dismantling an organization devoted to smuggling drugs from Colombia's northern coast to several countries, mainly, Puerto Rico, Mexico, and the United States.

[Tisnes] Although Amaya was little known, intelligence units have been after his trail since last year. Thanks to the documents seized, new warrants for the arrest of alleged Coast cartel bosses are being issued right now. [end recording]

Colombia: Article on Cuts in Military, 'Final Point Law'

PA2202173296 Santa Fe de Bogota EL TIEMPO in Spanish 17 Feb 96

[Received via Internet]

[FBIS Translated Text]

"Military Expenditures"

The defense minister is right when he states that the reduction in the military budget will affect the progress of the Armed Forces on the borders. Even more worrisome is the possibility that domestic security will be neglected. Although some tension exists, the possibility of clashes with our neighbors is not an imminent reality. Domestic insecurity is an imminent reality. There is the struggle against drug trafficking and its allies, the guerrillas, and against kidnaping, which affects the nation so much. Although in truth considerable success has been achieved in stopping this crime, it could noticeably spread if there is no powerful Army to confront and defeat these heartless criminals, as all Colombians desire.

There are two sectors in which economic cuts can be dangerous. One of them is the military and the other involves the maintenance of highways. The Army and highways are two sectors that work hand in hand to guarantee citizens' tranquility. Colombians should pay attention to these two areas of public activity. They should cooperate with the government in defense of the Armed Forces and contribute to a better organization of highways. Let us hope that the cuts, which we know are necessary, will be made in other fronts, because the security and tranquility of citizens and their confidence in the future are based on public works and a well-supplied Armed Forces.

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Final Point?

One of the most disturbing aspects amid all the painful situations generated by the crisis affecting our country is that at this stage it is not only the office of President Ernesto Samper that is in the eye of the hurricane. As Roberto Pombo said in his latest column in SEMANA magazine, the situation in the composition of Congress is extremely difficult due to the high number of congressmen who have been deprived of their freedom, who are linked to criminal processes, or who will be in the course of the next few weeks.

Under these circumstances, several congressmen have been considering the idea of issuing a law that, because of its implications, has already been dubbed the "Final Point Law." As part of the background, it is useful to recall that Jose Felix Turbay Turbay, representative of Bolivar Department and brother of the comptroller general of the Republic, has already made public proposals to this effect. However, in light of the debate this initiative will spark, it should be noted for now that a "final point" law would entail "political death" for those congressmen who avail themselves of it. Those who have not been tried or sentenced would not be sent to prison, but they would have to withdraw definitively from politics.

There will be very conflicting views on this. There will even be people who will criticize the proponents of this alternative. However, in such a difficult situation as the one being faced by the country, we should thoroughly consider the matter in hand. We should neither accept forgiveness completely nor should we reject the cover of forgetfulness asked for in the said report. The important aspect here is to find solutions, even if they turn out to be the harshest solutions. We need to recover an atmosphere of cordiality and walk the path of harmony again. Only then will Colombians find a plan of action for the future again, and with this plan, we will be able to seek solutions that not only affect our motherland, but also the continent. To open our eyes is to see a ray of light, and in our current situation, we surely need it.

Colombia: Office Issues Warrant for Guainia Governor

PA2002231796 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2100 GMT 20 Feb 96

[Report by Samuel Salazar Nieto; from "Caracol's Quarter Hour" news brief]

[FBIS Translated Text] The Delegate Attorney's Office of the Supreme Court has just issued an arrest warrant consisting of house arrest against the governor of Guainia Department, Humberto Tovar Herrera.

Tovar Herrera is under investigation by the delegate prosecutors of the Supreme Court for the alleged crime of embezzlement. Consequently, the governor of Guainia Department will have to leave his post in the next few days to allow the appropriate authorities to enforce the arrest warrant which was issued today and which consists of house arrest.

Colombia: Judge Reduces Sentence for Cartel Front Man

PA1902160596 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 17 Feb 96

[From the "Seven O'Clock Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television in Spanish at 0100 GMT on 17 Feb]

[FBIS Translated Text] Victor Patino Fomeque has sought the benefit of the sentence reduction system [sistema de sentencia anticipada de la justicia]. In this particular case, Patino Fomeque has accepted the charges made by the Prosecutor General's Office; that is, illegal enrichment and acting as a front man. Therefore, he automatically had the right to a reduction of the sentence by one-third.

The Prosecutor General's Office did not agree to any additional reduction in sentence for his alleged confession or surrender. The Prosecutor General's Office has also rejected $550,000 Patino Fomeque had offered for damages caused to the nation.

Prosecutor General Alfonso Valdivieso has said at some point that Patino Fomeque and others like him did not surrender voluntarily but, rather, were pressured by the Search Bloc. Nevertheless, a Cali penal judge has granted Patino Fomeque a reduction in sentence for confessing and surrendering, which have resulted in an additional one-sixth reduction of his sentence, but not based on the maximum sentence, which is 24 years. Instead, he began reducing the sentence based on 18 years, sentencing him to nine years. On top of this, the judge accepted the $500,000 [as heard] the Prosecutor General's Office has rejected, because it believes it was a small amount of money coming from this individual.

The nine-year prison term could be reduced further for good behavior.

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Colombia: Samper Invites Paramilitaries To Reconsider

PA1702042696 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Feb 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1830 GMT on 16 February]

[FBIS Translated Text] President Ernesto Samper has just made certain remarks about a Peasant Self-Defense communique. Samper spoke during a ceremony to make Colombia's incorporation into the Geneva Protocol II official.

Shortly before it was officially announced that Geneva's Protocol II had become effective, Samper told the paramilitary about the need to reconsider their decision to close the path of dialogue.

[Begin Samper recording] I expect them to reconsider. This and previous governments have been working for more than three years to disband the Peasant Self-Defense forces. [end recording]

About the protocol, Samper said the purpose of this international treaty binding the government and guerrillas is to defend innocent people.

[Begin Samper recording] The purpose is to spare the innocent people and noncombatants from the atrocious consequences of armed confrontations. On becoming a member of the jurisdictional and constitutional order today, the Colombian Armed Forces are bound to respect this order. [end recording]

That is to say, more or less, that, although peace is in trouble in the country, the conflict should at least be humanized.

Ecuador

Ecuador: 'Strict Security' Measures for Peruvian Minister

PY2202195196 Quito Voz de Los Andes in Spanish 1700 GMT 22 Feb 96

[FBIS Translated Excerpt] Here is a report by Loida Cariel from Carondelet Government House.

[Begin relay] [Carriel] Peruvian Foreign Minister Francisco Tudela arrived in Quito a few minutes after 1000 in the company of several Peruvian Foreign Ministry officials. He arrived at the air base within the Mariscal Sucre Airport.

Tudela is in Quito in the company of Hugo Zela, Peruvian Foreign Ministry Cabinet chief; Pablo Portugal, Peruvian Foreign Ministry Planning Office director; and Alfredo Chuqihuara, Peruvian Foreign Ministry Planning Office minister counselor.

The Peruvian officials were welcomed at the airport by Ecuadoran Foreign Minister Galo Leoro Franco; Deputy Foreign Minister Marcelo Fernandez de Cordoba; members of the Ecuadoran Foreign Ministry protocol office; and Peruvian Ambassador to Ecuador Hugo Palma Balderrama.

The Peruvian officials then headed for the Oro Verde Hotel which will lodge the delegation until it returns to Peru tomorrow.

According to the agenda, Francisco Tudela will meet with President Sixto Duran-Ballen today at 1230. Ecuadoran Foreign Minister Galo Leoro Franco will also be present at this meeting.

Ecuador views this meeting with particular interest because the bases for a definitive solution to the Ecuadoran-Peruvian border dispute may be established during it.

The Ecuadoran and Peruvian officials are also scheduled to address other issues affecting the peace process, such as the demobilization of all troops from the region over which Peru and Ecuador waged an undeclared in 1995.

After this meeting, President Duran-Ballen is scheduled to host a special luncheon at the Carondelet Government House in honor of the Peruvian delegation. Moreover, Peruvian Foreign Minister Francisco Tudela will very likely issue a press statement on the steps of the Carondelet Palace.

The meeting between President Sixto Duran-Ballen and Peruvian Foreign Minister Francisco Tudela will be held at the presidential office where they will pose for photographers. [passage omitted] [end relay]

Peruvian Foreign Minister Francisco Tudela arrived in Quito amidst strict security measures. Upon his arrival, he did not make any statement to the press. He was welcomed by his Ecuadoran colleague, Galo Leoro Franco at the Mariscal Antonio Jose de Sucre International Airport.

A few minutes after his arrival, Tudela and Leoro Franco headed for the airport's presidential room from where Tudela boarded a Peruvian Embassy vehicle which drove him to the Peruvian Embassy.

In view of prevailing security measures, journalists were unable to reach the Peruvian foreign minister who has come to Ecuador to undertake the second round of negotiations in compliance with the peace agreement that the Peru and Ecuador signed one year ago after they waged a cruel war.

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The first round of negotiations was held in mid-January in Lima. The results of the Quito meeting will be announced during a news conference scheduled for 23 February. The round of negotiations is scheduled to close when the Peruvian foreign minister returns to his country with his official entourage. [passage omitted]

Ecuador: Tudela Reasserts Opposition to Nonagression Pact

PY2202225396 Quito Voz de Los Andes in Spanish 1700 GMT 22 Feb 96

[Live relay by correspondent Loida Carriel from Government House in Quito]

[FBIS Translated Excerpt] [Carriel] After his arrival this morning at the Oro Verde Hotel, Peruvian Foreign Minister Francisco Tudela reasserted that he does not support the idea of signing of a nonaggression pact with Ecuador. Therefore, it seems that it will be impossible to achieve the signing of such a pact during the two meetings scheduled to be held in Quito because according to what the Peruvian foreign minister said, Peru does not support the signing of this nonaggression pact.

[Begin recording] [Tudela, in progress] ...I do not share the idea of achieving a nonaggression pact because [words indistinct] it is an anachronistic juridical procedure that is not in compliance with current...

[Questions by several unidentified journalists indistinct]

[Unidentified reporter] [Words indistinct] the Ecuadoran position is absurd?

[Tudela] I do not believe it is absurd but [words indistinct] not modern and I believe we should not [?complicate] them with [words indistinct] unimportant matters which should be dealt with expeditiously to smooth the path in order to discuss other more important issues. [passage indistinct]

[Tudela] Peru maintains the same number of troops outside the demilitarized zone that were stationed in the area prior to the conflict. Those units that engaged in combat throughout the entire region during the conflict have been withdrawn and redeployed to their original bases. [end recording] [passage omitted]

Ecuador: Foreign Minister Meets Peruvian Counterpart

PY2302015496 Quito Voz de Los Andes in Spanish 2300 GMT 22 Feb 96

[FBIS Translated Text] The Foreign Ministers of Ecuador and Peru, Galo Leoro Franco and Francisco Tudela, respectively, have separately stated that their countries will keep up the talks in an effort to find a definitive and longstanding solution to the territorial conflict despite the apparent hardening of positions. We are willing to continue with the talks with the necessary spirit to achieve the final objective, which is to definitively solve the territorial conflict between Peru and Ecuador, Leoro said. I know this will be difficult to achieve considering Tudela's remarks, which could imply a hardening of positions, but with a sense of adequate flexibility we will be able to set the groundwork to continue discussing this difficult issue at the negotiating table, the Ecuadoran foreign minister said.

Tudela also expressed hope that Ecuador will submit its list of prevailing impasses referring to border conflicts with Peru, although he added that if this does not happen, we must persist in the negotiations, because we must always keep talking.

The Peruvian foreign minister arrived today in Quito for a two-day round of talks with his Ecuadoran counterpart Galo Leoro Franco. At noon he also visited the Government Palace where he met with Ecuadoran President Sixto Duran-Ballen. Reporter Loida Carriel will give us further details on this meeting.

[Begin recording] [Carriel] Ecuadoran President Sixto Duran-Ballen today welcomed the visit of Peruvian Foreign Minister Francisco Tudela, terming it a great opportunity to consolidate peace between the two countries. We are certain that these talks, and those held in Lima will continue with the same spirit and dedication to find the path toward a definitive and longstanding peace. During his speech welcoming the Peruvian foreign minister, Duran-Ballen said that the two nations have more reasons to live in peace than to take up arms as they did in 1995.

[Duran-Ballen] As president of Ecuador, I am pleased to welcome the Peruvian foreign minister as well as representatives of the four guarantor countries of the Rio de Janeiro Protocol. We are certain that the talks we are holding today, following those held in Lima, will have the same spirit of dedication of the representatives of the two countries to find the path toward a definitive and longstanding peace that will imply, through dialogue and the presence of the representatives of the four guarantor countries, the under secretaries of each of their governments, of their ambassadors, and together with the delegations of the two countries, the achievement of conclusions that will mean that our two countries — with supplementary economies, with similar ethnic and religious characteristics, with a number of situations that unite us through culture, and in many aspects, with a power to find a formula that will reaffirm the effort made

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when the 1942 protocol was signed, that a situation that has dragged on for more than a century and a half — will reach a happy conclusion of finding a solution that will be just for the two countries. We are certain, gentlemen, that this will be achieved, not within the next few hours, but God willing, within a period shorter than expected. But to achieve this solution, we must keep talking frankly within the next few hours, as the two foreign ministers will do together with their delegations and members of the guarantor countries.

[Carriel] The Peruvian foreign minister thanked President Duran-Ballen for his welcoming words and said that the objective of the talks with his Ecuadoran counterpart is to overcome disagreements and to establish ties between Ecuador and Peru. Tudela said that efforts must be made to establish the groundwork for the final agreement.

[Tudela] On behalf of the Peruvian delegation and on behalf of my government, I want to thank President Duran-Ballen for his kind words. As you know, the objective of these talks is to establish the preliminary procedures to discuss those matters which have been the reasons for disagreements between our two countries for so many years. Thus, the objective of these talks is to overcome those disagreements and to establish ties that are confirmed by history, geography, and tradition. This objective must be achieved taking into account the realities of the two nations. Thus, both foreign ministries must make efforts to set the groundwork for a longstanding final agreement that will put an end to the disagreements that have been nefarious for the two countries in the past. Thus, I want to express hope that procedures will be established to hold talks and reach agreements above the disagreements and to talk on these disagreements at the negotiating table, and to try not to waste time because history will not wait for us, and because the solution is in our hands.

[Carriel] The Peruvian foreign minister concluded by expressing hope that Peru and Ecuador will reach agreements over disagreements. Tudela's visit will end tomorrow at 1800 when he will grant a joint news conference with his Ecuadoran counterpart Galo Leoro Franco to make known the results of the meetings held in Quito, Ecuador. [end recording]

Ecuador: Armed Forces Meetings in Quito, Lima Previewed

PY2202004096 Quito Voz de Los Andes in Spanish 2300 GMT 21 Feb 96

[FBIS Translated Text] The agenda of the military meeting Ecuador and Peru will hold in March focuses on the implementation of measures that will step up mutual confidence between the governments of Quito and Lima.

According to General Jorge Ortega, chief of the Ecuadoran Armed Forces joint command, the agenda drafted by the Ecuador-Peru Mission of Military Observers [MOMEP] is based on the assessment of the peace process by comparing it with the procedures manual and on the measures of mutual confidence.

Ortega said that the MOMEP, stationed on the Ecuadoran-Peruvian border since the beginning of the border conflict, organized the bilateral meeting.

Ecuador and Peru engaged in war in January 1995.

Since the peace agreement was reached, the guarantor countries and the countries in dispute have maintained their firm decision to reach Article No. 6 of the agreement that calls for direct negotiations between Quito and Lima with the purpose of overcoming the disagreements.

The meeting of the high military commanders that is scheduled for March, will materialize a much expected military meeting which was recently thwarted,

The chief of the Ecuadoran Armed Forces joint command, who will meet with the chief of the Peruvian Armed Forces joint command, General Nicolas de Bari Hermoza, revealed that his Peruvian counterpart will arrive in Ecuador on 29 February. The day after he will travel to the Armed Forces joint command headquarters, where he will be greeted by the MOMEP officers. Ortega added that both he and De Bari will meet from 1000 to 1200 and that at 1730 De Bari will return to Lima.

Ortega then said he will pay a similar visit to Peru. He will travel to Lima at 1300 on 3 March and will return at 1800 on 4 March.

The guarantor countries of the Rio de Janeiro Protocol recently arranged a meeting of the Ecuadoran and Peruvian high military commanders at one of the detachments where the war between the two countries was staged one year ago. However, the much expected meeting between the two military chiefs was thwarted by a heavy summer storm.

It has been announced that a second military meeting will be held prior to a second round of diplomatic negotiations between the foreign ministers of Ecuador and Peru.

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Ecuador: Chamber of Deputies Candidate Escapes Attack

PY1902165296 Madrid EFE in Spanish 0120 GMT 17 Feb 96

[FBIS Translated Text] Quito, 16 Feb (EFE) — According to the National Police today, at least four people were slightly wounded by a dynamite stick that detonated in the vehicle of attorney Hernan Monteros, candidate to a seat in the Chamber of Deputies, in Loja city, Ecuador.

The source stated that Monteros, candidate of the Concentration of Popular Forces, got out of his car just a few minutes before the explosion, which caused damage to buildings located within a 100-meter radius.

The police declined to make any further comments on the attack, which was perpetrated three days before expiration of the deadline for candidates to register for the general elections scheduled for 19 May 1996.

Ecuador: Army Chief on Peace Process Efforts

PY2202012496 Quito Voz de Los Andes in Spanish 2300 GMT 21 Feb 96

[FBIS Translated Text] General Paco Moncayo, chief of the Ecuadoran Army, maintains that every possible effort is being made to avoid disrupting the peace process between Ecuador and Peru.

Moncayo reiterated Ecuador's desire to sign a nonaggression pact.

[Begin Moncayo recording] We hope this meeting will represent a new landmark within the framework of the peace process the two countries are carrying out quite successfully. We will calmly wait to hear Foreign Minister Francisco Tudela's viewpoint which we believe is flexible in order to maintain negotiations currently under way. [end recording]

General Jorge Ortega, chief of the Ecuadoran Armed Forces joint command, also shares Moncayo's viewpoint. Ortega confirmed that the proposal for a nonaggression pact was made by Ecuador. He said it is a subject Foreign Ministers Leoro and Tudela will have to broach.

[Begin Ortega recording, in progress] ...proposed by Ecuador and the foreign ministers, during the upcoming meeting to be held here in Quito, will have to discuss the subject. The Ecuadoran Armed Forces and Ecuadoran people have the best disposition and desire to permanently collaborate and cooperate for the conclusion of this peace process. [end recording]

According to military sources, the National Security Council has held intensive meetings to successfully organize this significant visit for the peace process between Ecuador and Peru.

Ecuador: Peasants Said Linked to Colombian Guerrillas

PY1902174696 Madrid EFE in Spanish 0122 GMT 17 Feb 96

[FBIS Translated Excerpt] Quito, 16 Feb (EFE) — An imprisonment sentence issued today by the Tena Supreme Court against seven Ecuadoran peasants charged with collaborating with Colombian guerrilla groups prompted the immediate reaction of humanitarian organizations that termed the sentence "absurd."

The seven peasants were found guilty of collaborating with guerrilla groups of the Army of National Liberation, from Colombia, responsible for an ambush in 1990 in which 11 policemen and military officers posted on the Amazon border with Colombia died.

The attack was perpetrated when a group of military officers and policemen patrolling the San Miguel River area were ambushed by the Colombian guerrillas, who murdered the members of the Ecuadoran joint force.

The judge ordered a 12-year imprisonment sentence for Climaco Cuellar, Carlos Cuellar, Harold Paz, Froilan Cuellar, and Jose Quinaya; six years for Carmen Bolanos; and two years for Henry Magcha for their varying degrees of participation in the attack and for collaborating with the Colombian guerrillas. [passage omitted]

Ecuador: Correction — Leoro on Tudela Remark

PY2202162296 Madrid EFE in Spanish 2013 GMT 21 Feb 96

[Corrected version of PY2102221896; explanatory note describes difference from initial FBIS version]

[FBIS Translated Text] Quito, 21 Feb (EFE) — Ecuadoran Foreign Minister Galo Leoro said today he "is surprised" by the remark made by his Peruvian counterpart Francisco Tudela, who termed the Ecuadoran Government's nonaggression pact proposal "ominous."

"It is really surprising to me that that remark came from someone like him (Tudela), at a time when we are trying to strengthen peace. That term (ominous) is not really appropriate," said Leoro to the media.

Leoro said that given the circumstances involving the peace process between Ecuador and Peru, which are in conflict over an undemarcated portion of territory in their common Amazon region, "any measure is worth considering." [rewording sentence for clarity]

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This is how Leoro justified the Ecuadoran proposal for a nonaggression pact with Peru.

He added: "There is no need to say war is prohibited by the UN Charter, because if that were true there would be no wars, there would be perpetual peace, but unfortunately that does not occur."

Peru rejected the signing of a nonaggression pact with Ecuador because it was an "ominous idea" for the international community said Tudela.

Tudela recalled on 19 February that war is prohibited by the UN Charter.

Leoro's comments were made one day before Tudela arrives in Quito to continue studying the procedures which will be the basis for future negotiations to solve the territorial problem which led to a military conflict between the two countries.

The Ecuadoran Foreign Ministry confirmed today that in addition to the meeting with Galo Leoro, Tudela will also meet with President Sixto Duran-Ballen in the Corondelet Presidential Palace.

Paraguay

Paraguay: Argana Criticizes Court Decision

PY2302012896 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2300 GMT 22 Feb 96

[FBIS Translated Excerpt] There were different reactions to this morning's court decision suspending the Colorado Party elections. The Colorado Reconciliation Movement headed by Luis Maria Argana has issued a veiled threat that its followers will go into the streets to defend their rights, which according to them, were violated on orders from President Juan Carlos Wasmosy, [Colorado Democratic Movement leader] Blas N. Riquelme, and General Lino Cesar Oviedo.

Argana issued a message that was made available to the press and which he will read to the people in the next few hours, saying, among other things, that his movement peacefully warns the criminals involved that his followers are determined to defend their rights with the law and justice, but adding that if this last recourse fails — as it has been occurring very often lately — they will defend themselves with all means available to them. We will fight in the streets, in the fields, and in cities, the document says. Argana thus repeats his Colorado Party preaching that he will continue to preach until his last breath. These remarks are in a document that Argana will read to his followers in the next few minutes.

Another Colorado Party Reconciliation Movement reaction, in the same direction, was reported in Ciudad del Este, capital of the Alto Parana Department. Here some 200 followers of Neo-Stroessnerist leader Luis Maria Argana closed the international Friendship Bridge linking Foz do Iguacu, in Brazil, with Ciudad del Este. These 200 people even staged openly violent demonstrations. They not only threatened bystanders but also fired shots in the air. We will report further on the issue later on.

Another movement that reacted to the court decision is the Colorado United Force faction that supports the candidacy of Atilio R. Fernandez as president of the Colorado Party executive board. This movement received the court decision suspending the 25 February internal elections with satisfaction. [passage omitted]

Paraguay: Argana Charges 'Collapse' of Democracy

PY2302032596 Asuncion RPC Television Network in Spanish 2340 GMT 22 Feb 96

[Message by Luis Maria Argana, Colorado Party Reconciliation Movement faction leader — recorded]

[FBIS Translated Text] Colorado Party followers of the Republic, I speak to you, my sacrificed and noble fellow party members of the Colorado Party Reconciliation Movement. I speak to you who with faith in democratic institutions, proven love to our flag, and with hopes of a better justice system have carried out a magnificent electoral campaign overcoming difficulties and hardships all across the country. I want to express my eternal gratitude for your valuable services.

I want to inform you that the red republican flag that was thrown to the floor by those who betrayed Colorado Party principles and which we picked up will continue being carried up front without surrender, such as the renowned Eugenio Garay did in Yrendague. I hereby ask you, respecting the differences, a last effort to march together to the altar of freedom and democracy.

We placed all our trust in the Constitution, the laws, and the justice system and placed all our efforts to compare our forces at the balloting boxes to achieve the government of the people by the people and for the people. Meanwhile, however, a small clique of despicable and shameless people, who call themselves Colorados, in complicity with corrupt entrepreneurs infiltrated in our party in order to seize all the country's resources, had plans to bury our old political association to share the power with Domingo Laino's Liberals. They are increasingly being accepted into the public administration in exchange for their conspiratorial silence.

These are people without popular support, who do not care about their party's future, because they prefer to

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see it defeated than in the hands of a legitimate winners in democratic elections.

Paraguayan people, Colorado people, the recent decision of the Asuncion Electoral Court suspending the Colorado Party internal elections without setting a new date confirms this intention. The decision provokes a violent movement backwards in the country's democratic institutions because leaving the date of the election at the mercy of an ordinary court case that can last one or two years is tantamount to sending all the Paraguayan electoral process to the gallows. It is the collapse of democratic institutions that affect all Paraguayans.

From an objective point of view what has just happened is a true attack against law and reason. It is a coup d'etat perpetrated by President Juan Carlos Wasmosy, with Colorado Democratic Movement leader Blas N. Riquelme, Itaipu Dam barons and Vice President Angel Roberto Seifart, and the complicity of an accommodating opposition which tomorrow, without any moral authority, will claim for itself what we want today, that is, respect for people's will.

After examining this situation and considering the functioning of a justice system that has surrendered to a voracious and merciless plutocracy that does not take into account just objections and grants petitions of suspensions only days before an election, we think we are faced with a case defined by Article 137 and 138 of the Constitution that enables citizens to resist the oppression of the usurpers of their rights.

Therefore, once we made this interpretation, we think that we cannot prevent our fellow party members from defending themselves from such usurpers with whatever means at hand — as is established by the articles mentioned above — ruling out any institutional responsibilities of the movement for anything that might happen in the country now or in the future.

The fatherland cannot be built by the Phoenicians who corrode its roots, says a paragraph of our Constitution. Sometimes justice comes late but you can rest assure that it will come.

Neither the corrupt businessmen who have been accused of corruption by everybody nor the military men dressed in costume for carnival will be able to bury the Colorado Party and democracy. They may be able to buy judges for some time, they may subdue timid spirits but they will soon come apart like paper dolls. Their support based on bribery, miasma, and corruption are made of mud, they have a short life. But honor, honesty, and the firm stand in the defense of the real values of the human race will always prevail.

Poverty has grown in alarming proportions, salaries have deteriorated, in the majority of homes in our country people eat one day but do not eat the following day. Money is not even enough to send children to public schools. In the meantime a group of bandits headed by the leaders of the Lopez Palace [government house] are enjoying a lavish life either in the most expensive beaches of Latin America or spending large sums of money at ridiculous costume parties, when our soldiers are forced to act as circus clowns without any respect for the memory of our sacrificing and illustrious heroes of two wars.

Those who take an arrogant stand under the belief that our people will never react are quite wrong. They will soon be quite surprised. The Paraguayan people and the members of the Colorado Party are anxious to evict those who are usurping power because they are thieves, corrupt, and hold illegitimate power. This is why they are afraid of us, our victory makes them feel uneasy, they are frighten by our frank position against corruption, against the outrageous robbery our people are seeing with astonishment such as the blank check authorizations to deliver money to criminal bankers who financed with public money the electoral campaign, against the self-contracts that are punished by law, and other scandals of similar proportions. This is why they are afraid of the Colorado Reconciliation Movement.

We warn these criminals that we are ready to defend ourselves with law and justice and if the latter fails, as it has happened repeatedly, we will defend ourselves with all means at our disposal. We will struggle peacefully on the streets, in the fields, in the cities by disseminating to our party members our republican beliefs until our last breath. We will never surrender before organized crime, which is circumstantially now in power.

The Paraguayan people can rest assure that the Colorado Reconciliation Movement will continue its struggle to defend the Paraguayan people disregarding their political beliefs.

Our sacrifice will serve to forge a better country for the benefit of men, for their search of happiness and common good, and to show our honor in homage to democracy and freedom.

Paraguay: Party Predicts Violence If Elections Suspended

PY2302000596 Asuncion ULTIMA HORA in Spanish 22 Feb 96 p 6

[FBIS Translated Text] Interior Minister Diogenes Martinez this morning confirmed that the National Police will make every effort to guarantee public security in

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the face of the increasingly conflictive situation provoked by the internal electoral process within the ANR [National Republican Association] [Colorado Party].

Martinez said: "In Asuncion, police forces are working long hours performing security duties. They are going to continue to work this way in light of threats issued by one faction that provoked reactions from another faction."

Martinez said he was not aware of National Police forces being confined to barracks in the face of possible acts of violence that might erupt within the ANR internal process.

Martinez said: "Except for those cases in which he may delegate this power, the president of the Republic is the only one who can order police forces to stay in their precincts."

The interior minister stated that the National Police personnel are sufficient both in terms of quantity and skill to guarantee the security of all citizens.

Martinez said: "Normal measures can be reinforced to protect citizens from the acts of violence that some people are threatening to perpetrate. The government is prepared to repel these acts."

Martinez noted that the Interior Ministry is closely following the developments surrounding the conflictive ANR electoral process.

He said: "We are alert to everything. We are hoping there will be no acts of violence, but in any case, we are prepared to guarantee the security of all citizens."

The National Police announced that 9,000 policemen will be mobilized nationwide to prevent possible incidents on 25 February.

As is known, Colorado Party factions (supporters of Luis Maria Argana and members of the progovernment faction alike) announced that violence may erupt at the grassroots level if the electoral court suspends or confirms the ANR internal election slated for 25 February.

If the election is suspended, the Argana supporters have threatened to take the Colorado Party headquarters by force. The progovernment faction, for its part, vowed to stop the Argana supporters "with big sticks."

Paraguay: ANR Elections Suspended Due to 'Irregularities'

PY2302001296 Asuncion Radio Primero de Marzo in Spanish 2100 GMT 22 Feb 96

[FBIS Translated Text] The Asuncion Electoral Court has suspended the internal elections of the ANR [National Republican Association, Colorado Party] slated for 25 February.

The court has thus upheld a petition filed by the Unified Colorado Movement [Coloradismo Unido, led by Vice President Angel Roberto Seifart] after ordering that its legal representative, Juan Crisostomo Gaona, be held personally accountable for the consequences the suspension might provoke.

Thus, the court has ordered the suspension of the ANR internal election scheduled for 25 February until it hands down a final ruling on the case. The court has ordered the ANR executive board and the ANR electoral board to comply with the suspension. A copy of the ruling was also sent to the Superior Electoral Court.

The ruling was signed by the Eduardo Jimenez Rabito and Rafael Dendia and by court clerk Maria de la Paz Martinez.

In ordering the suspension, the court took into account the opinion of electoral prosecutor Miguel Angel Aranda in the case calling for the annulment of the ANR voter registration list.

The court believes that there are many irregularities and questions concerning the voter registration list. The judges claim that if the election were held on 25 February, the constitutional right to vote of thousands of ANR members would be inevitably violated.

Paraguay: Hizballah Preacher Not Considered 'Terrorist'

PY2002004496 Asuncion ABC COLOR in Spanish 11 Feb 96 p 65

[FBIS Translated Excerpt] There are two Islamic churches in Foz de Iguazu. One of these belongs to the Sunni sect and looks like a mosque, while the other one belongs to the Shiite sect and is made up of a series of storerooms on Jose Maria de Britos Street, some 2 km from the Friendship Bridge. Kamal Osman, a respected businessman of Arab descent who has settled in Foz de Iguazu and is a member of the board of the Sunni mosque, has denied that Sheikh Mohsen al-Tabtabay is a terrorist.

Al-Tabtabay and Osman both categorically denied that the latter has been in hiding. They asserted that the preacher still holds regular meetings with his followers, who are for the most part members of Hizballah (God's Party) living in Ciudad del Este and Foz de Iguazu.

Agents of the Foz de Iguazu Federal Police, who were consulted about al-Tabtabay's criminal dossier, confirmed that the preacher has been living in the area

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for more than three years and that he is not considered a terrorist.

A special agent of the Federal Police, who is only known by his nickname "Pamplona" and who works exclusively on terrorist cases, said that some days ago Paraguayan journalists had been asking him questions about al-Tabtabay. At the time he answered that the Arab preacher did not have a criminal dossier and is not considered a terrorist. He added that al-Tabtabay is a well-known religious leader in the cities of Foz de Iguazu and Ciudad del Este. [passage omitted]

Paraguay: Foreign Minister on Mercosur Trade Balance

PY2102165496 Asuncion ULTIMA HORA in Spanish 30 Jan 96 p 28

[FBIS Translated Text] Upon making an assessment one year after the implementation of the common external tariff system and the partial customs union, which became effective on 1 January 1995, Foreign Minister Luis Maria Ramirez Boettner emphasized that the possibility of exporting all our products has been Paraguay's main achievement with regard to the Mercosur [Common Market of the South].

The Paraguayan foreign minister added that 47 percent of our exports go to Brazil, while 60 percent of all our exports go to the Mercosur.

The foreign minister noted: "At this moment, we do not have export surpluses, which means that we have to produce more and increase quality. In my opinion, this represents Paraguay's greatest achievement in the Mercosur, as we have been able to sell all our products."

The foreign minister added that the Mercosur is becoming a solid economic and trade bloc. He said the four signatory countries of the Asuncion Treaty are fulfilling the agreements that have been achieved as, for example, the trade agreement on the Ciudad del Este-Foz de Iguazu border area that was signed between Paraguay and Brazil in Punta del Este.

Reasonable Barriers

Nevertheless, Argentina and Brazil, Paraguay's partners, frequently raise barriers against our country. In this regard, the foreign minister indicated that some of these barriers are reasonable. He pointed out: "Some barriers, such as those imposed by Argentina, which does not want the reentry, without paying any taxes, of a product that has left Argentina without paying taxes, are perfectly reasonable." Ramirez Boettner also explained the existence of a Mercosur agreement on free transit of merchandise from Mercosur countries. As an example, he noted: "Nevertheless, the Mercosur [legislation] does not contemplate the possibility of an export product leaving the country of origin without paying taxes, entering Paraguay, and then reentering Argentina."

Changing the subject, the foreign minister denied that Paraguay is sponsoring contraband, as suggested by some Argentine sectors. He noted: "Of course, we are not supporting the reentry of products that have left Argentina without paying any taxes. We are not supporting this. We are actually supporting the removal of all barriers for Paraguayan products exported to Argentina."

Misinterpretation

In conclusion, Ramirez Boettner explained that Brazil had misinterpreted the construction of an industrial park in Ciudad del Este by Chinese entrepreneurs, as Brazil believed it would be a free zone.

Paraguay: Sapena Brugada Elected Supreme Court President

PY2102142296 Asuncion ULTIMA HORA in Spanish 2 Feb 96 p 1

[FBIS Translated Text] Raul Sapena Brugada was elected the new Supreme Court president at noon today. He replaces Oscar Paciello. Sapena received six of the eight votes cast, while Paciello refrained from voting. Paciello's possible reelection had prompted a controversy.

Uruguay

Peru: Poll Shows Drop in Fujimori's Popularity

PY2102211296 Madrid EFE in Spanish 1443 GMT 21 Feb 96

[FBIS Translated Text] Lima, 21 Feb (EFE) — According to a poll disclosed today, the people's support for President Alberto Fujimori dropped from 75 percent last January to 66 percent in February.

The poll, which was conducted in metropolitan Lima by Apoyo S.A., says that since Fujimori became president in 1990, he obtained the highest support (81 percent) in April 1992 when he carried out the "self-coup."

The lowest percentage of popularity was registered in July 1991, with 31 percent.

According to commentators, the considerable drop in support of President Fujimori was caused by the people's rejection of the prohibition to import used cars, the price increase of some basic products, and especially the privatization of the State Petroleum Agency [PetroPeru].

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The poll also indicates that the support for the privatization of PetroPeru among Lima residents has dropped from 34 percent last January to 27 percent this month.

According to official spokesmen, the drop in Fujimori's popularity was caused by the people's lack of information on the measures recently adopted by the government, "which the opposition took advantage of."

Since the second half of January until 20 February, the government had to face several strikes by oil workers in the northern part of the country and later at the national level, in addition to another strike and demonstrations in the southern Tacna Department against the prohibition to import used cars and some tariff measures.

Uruguay

Uruguay: President Promises Social Action in 1996

PY2202185596 Montevideo EL OBSERVADOR in Spanish 10 Feb 96 p 3

[FBIS Translated Text] President Julio Maria Sanguinetti confirmed during a news conference yesterday that this year his administration will give priority to social programs. The president made an evaluation of past achievements at the end of four cabinet meetings on the subject. Sanguinetti made a projection for the future stressing that "social action does not have any meaning if the economy loses order and balance. Speculators, not the poor, are the only ones who win when there is economic disorder and imbalance. This is very clear and the experience in this area is definitive: During the era of populism in Latin America speculators, not the poor people, profited."

Referring to the first year of his second administration, Sanguinetti said that "1995 was essentially characterized by the implementation of great structural changes that the country required for its process of insertion and integration into the world."

One of the examples of structural reform mentioned by the head of government is political reform. Sanguinetti said that it started "becoming a reality with the formation of the coalition, as a way to give a novel answer to a political reality that was also novel." Then we had the social security law "giving new viability and perspective to the economy and recovering the possibility of giving an appropriate retirement system to our new generations." The president then mentioned the state reform, which "will start becoming a reality in the coming days with the inauguration of the new post office, which will function with a commercial criteria."

Sanguinetti reviewed the prospects for the year. He put special emphasis on education: Experimental programs at the secondary level, the beginning of construction of new classrooms, and the construction of full time schools, "which will have a direct impact on the vicious circle of poverty." Sanguinetti stressed that everything "shows that we are a country that is looking toward the future."

Uruguay: President Blames Communiques on Army Lodge

PY2102223296 Montevideo BUSQUEDA in Spanish 1-7 Feb 96 p 1

[FBIS Translated Excerpt] On 31 January, President Julio Maria Sanguinetti told members of his cabinet that a small group of Army personnel, who are occasionally causing "problems," have been responsible for issuing anonymous military communiques criticizing his administration. He stated, however, that those military officers are under control and that complete calm prevails within the Armed Forces.

At the end of the first of four scheduled cabinet meetings to evaluate his administration and to plan actions for 1996, Sanguinetti said that "these are members of a small group" who react in various ways "when something bothers them." Government sources have charged members of the "Artigas Lieutenants" military lodge with issuing the communiques. This lodge acquired significance within the Army during the previous administration.

Sanguinetti said that the ideology professed by these problem officers "was recently outlined by General (Alberto) Balestrino, retired," in remarks published by the magazine POSDATA on 26 January.

A well-known former member of the "Artigas Lieutenants" lodge, which was founded in 1965 by General Oscar M. Aguerrondo, Gen. Balestrino stated that the members of this lodge leaned to the "right" during the military regime and "were largely inspired in the life of General Francisco Franco," in "the European leaders at that time (Benito) Mussolini, (Adolf) Hitler" as well as in the ideology of the Spanish Phalanx, Jose Antonio Primo de Rivera.

Sanguinetti concluded his remarks by noting that a vast majority of Army officers are respectful of authority and are "very intelligent professionals." As an example, he cited Lieutenant General Juan Curutchet, who is retiring on 1 February, and will be replaced by General Raul Mermot as Army chief.

Military sources told BUSQUEDA that, in his inaugural speech, Mermot will touch on the anonymous communiques and will defend the Army unity.

The sources said that the new Army chief hopes to meet with Gen. Mario Aguerrondo, who is considered to be

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the main leader of the "Artigas Lieutenants," as soon as he returns from Washington, where he had been serving on an assignment given to him by former President Luis Alberto Lacalle. There is expectation within the Army as to what assignment will be given now to Gen. Aguerrondo.

Since Sanguinetti's inauguration, the "Artigas Lieutenants" have been losing strength. Government sources admitted that since 1 March 1995, the executive branch has appointed trusted officers in key positions.

A government source has said that members of the "Artigas Lieutenants" lodge have been "identified" and that the governrnent has not taken action against them only because it is very difficult to verify their actions.

In his inaugural speech, Mermot will also continue with the line followed by Curutchet, who upon taking office in 1995 put an end to an internal restructuring initiated by former commander Daniel Garcia, another member of the "Artigas Lieutenants," who was appointed by Lacalle as Army chief in 1993. [passage omitted]

Uruguay: New Army Commander Comments on Responsibilities

PY2102165396 Montevideo EL PAIS in Spanish 24 Jan 96 p 9

[Report by Juan E. de los Santos]

[FBIS Translated Text] Artigas — General Raul G. Mermot, who on 1 February will take over as Army commander in chief, yesterday made a farewell visit to departmental authorities.

Colonel Carlos G. Daners, whose promotion to general was approved by the Senate a few days ago, accompanied Gen. Mermot during his visit to commanders and troops of the 10th Cavalry Regiment based in this city. During his tour, Mermot also visited Intendant Luis Eduardo Juan, Police Chief Victor M. Cuelho, and Departmental Board President Luis I. Garcia da Rosa.

I Assume the Responsibility With Total Spiritual Calm

EL PAIS talked with the future Army commander in chief during his visit to the Departmental Board. Mermot said: "It is a different stage for me. It is the culminating point of my professional career. It is my last assignment due to my age and number of years in the ranks, but I assume the responsibility with total spiritual calm. I am confident because I am acquainted with the issues, although responsibilities are new, different, and more important."

Asked whether he had total support within the Army, Mermot said: "You know that the force functions with a chain of command, vertically. The chain of command is topped by the person who commands the Army, designated by higher authorities who have deposited their trust in him. I must, then, repay that trust with my efforts, dedication, and best wishes and intentions to improve and maintain the Army's spirit and image."

Optimism in the Country

Asked his opinion about the country's future, Mermot said: "I am optimistic by nature, and I view the future and the Army with optimism."

Uruguay in Mercosur [Common Market of the South]

Asked how he saw Uruguay and Mercosur, Mermot said: "It is a new experience. I think people who know better also have their doubts and fear future problems, but the process is well on course and we must face it and work with it in order to have a positive insertion with all countries involved."

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